

03/19/2024

City of Belle Isle
1600 Nela Avenue
BELLE ISLE, FL 32809
Attn: R Rudometkin City Manager

Re: Annual Price Adjustment

Dear Mr. R Rudometkin

On behalf of JJs Waste & Recycling I would like to thank the City of Belle Isle for what has been an enjoyable year serving the residents. After nearly 5years of being your service provider, I believe we have become a welcome member of the community & a group who truly understands your needs.

As the initial term of the contract draws to conclusion, we wish to advise of our intention to seek an extension beyond the current term, as laid out in the contract. Presently, the initial term of our contract of 5yrs ends September 2024, with a contractual renewable term of 3 x 1yr increments until 2027.

Below, please find 2 proposals for consideration by the city. The first Proposal is for the status quo to remain, and apply the contract as written, the second proposal will see some significant savings to the city, whilst maintaining the high level of personalized service the residents have become accustomed to.

Proposal One

Extend the current contract based on 3 x 1-year periods.

This will see rates being varied annually in line with CPI, plus any disposal related increases in line with Clause 26 of the contract: Modification of Rates as per the following attachment which shows the CPI-U Water, Sewer and Trash Collection Services (CUSR0000SEHG) at 5.3% attached as Table 2

Source: US Bureau of Labor Statistics - <https://www.bls.gov/news.release/pdf/cpi.pdf> (page 14)

In line with Clause 26 "Any increases in rates shall be capped annually at the amount of the increase in the CPI, or three percent (3%), whichever is lower." Section 26.2 of the contract also allows the Contractor to make an adjustment above the 3% for any increase due to federal, state, or county increase, and that landfill fees have significantly increased as well as costs at the county recycling facility.

As the City will be aware, JJs Waste & Recycling requested an increase of 5.4% which fell in-line with the Bureau of Labor & Statistics per the current CPI-U Water, Sewer & Trash Collection Services published figures. Unfortunately, October 1st, 2023, Orange County had extraordinarily high increases in landfill disposal costs @12%. This inflated amount far exceeded the increase that was put into place & therefore, a request for the consideration of an additional increase to the current rate per property of 6.6% to match the inflated rate was proposed. October 17th, 2023, this proposal was rejected & JJs was advised to have this increase put forth onto the following year (2024) for consideration.

To be fair to the city, JJ's this year will be seeking the CPI increase capped at 3% (CPI =5.3%) and an additional rate increase of 6.6% to cover the landfill and recycling increases which have applied to us since the start of the 2023 period deficit. This 6.6% component is a little over half of the actual increase in landfill.

Total proposed increase = 9.6%

Current Rate	Proposed CPI Increase %	\$ Increase	Revised Rate
\$ 25.45	9.6%	\$ 2.44	\$ 27.89

Proposal Two

Our second proposal is for the extension of the contract to a new term of 3 years with an option to extend it for a further 3-year fixed period, or a flat 5 years (the same as the initial contract term). In either event, our proposal as detailed below, is the same.

Our proposal will see the residents benefit significantly, through the pricing being fixed at the current 2023 rate of \$25.45 for the next 3 years, through until September 30, 2027. After which time CPI clause 26, including Section 26.2, shall be reinstated @3% for the remaining term of the chosen period, and revised annually.

Below is the Residential Pricing table for 2024-2027,

Current Rate	Proposed CPI Increase %	\$ Increase	Revised Rate
\$ 25.45	0.0%	\$ 0.00	\$ 25.45

In either the event of Proposal One, or Proposal Two being chosen, the commercial waste to be increased at 5% minimum, annually for the duration.

JJs ethos regarding option 2 is as follows: - Residents of the city I'm sure would have peace of mind knowing that their current rate from 2023 extends for the next 3-years & allows for stability. This also goes for JJs as we too look for stability of work.

I trust this letter is sufficient to have our extension approved. We do firmly believe that Option Two brings a great amount of certainty to the residents, during this time of high inflation.

I would like to request a formal meeting with yourself to discuss this proposal in greater detail, and I am also able to present this to the commissioners upon their next sitting, to ensure any questions they may have are clearly covered off. Should additional information be required, please contact me directly.

Regards,

Darren Bateson
General Manager