




TO: Linda Gorton, Mayor
Urban County Councilmembers

FROM: 
Tracey Thurman, Director
Division of Waste Management

DATE: June 13, 2022

RE: Second Amendment to Waste Supply and Disposal Agreement

Request:

This is to request a Resolution authorizing the Mayor, on behalf of the Urban County Government, to execute a Second Amendment to the Waste Supply and Disposal Agreement with Waste Services of the Bluegrass, Inc. (WSB), authorizing the institution of a fixed fuel surcharge in the amount of \$2.68 per ton when retail diesel prices exceed certain thresholds, and further authorizing the Mayor or her designee to negotiate adjustments to the fuel surcharge when the retail cost of diesel fuel exceeds certain thresholds.

Why are you requesting?

WSB has requested the imposition of a fixed fuel surcharge on a per-ton basis in order to continue to provide the services provided for in the Waste Supply and Disposal Agreement, citing the rising costs of diesel fuel. This amendment to the agreement provides that a fixed fuel surcharge shall only be payable when the retail cost of diesel fuel exceeds \$3.75 per gallon for a period of not less than four (4) consecutive weeks, as determined by reference to the weekly retail gasoline and diesel prices published by the U.S. Energy Information Administration. No additional adjustments shall be considered unless the retail cost of diesel fuel exceeds \$6.50 per gallon for a period of not less than four (4) consecutive weeks. LFUCG retains the ability to suspend the fixed fuel surcharge when diesel prices fall.

What is the cost in this budget year and future budget years?

The average monthly cost would be approximately \$42,727, with a yearly projected total of \$512,727.00.

Are funds budgeted? Budget Amendment will be processed in the FY 23 budget.

