



Pinellas County

Staff Report

File #: 20-942A, Version: 1

Subject:

Second amendment to the agreement with Covanta Projects, LLC for Waste to Energy Facility Operator Technical Recovery Plan projects.

Recommended Action:

Approval of the second amendment to the agreement with Covanta Projects, LLC for Waste to Energy Facility Operator Technical Recovery Plan (TRP) projects.

- This second amendment adds nine new boiler tube projects into the TRP, using \$11,332,487.00 of the \$12,908,265.77 remaining unobligated funds. Additional funding is required to complete the TRP.
- This amendment provides for the use of remaining unobligated funds to complete other project (s) identified during the remaining course and scope of the TRP, up to November 2, 2024.
- The total TRP budget, per Amendment No. 1 was capped at \$243,357,899.00. The current TRP project expenditure and remaining obligation is \$230,449,633.23, leaving an unobligated balance of \$12,908,265.77. The inclusion of the nine new projects will not exceed the TRP expenditure cap.
- TRP unobligated funds are a result of other TRP projects being completed under budget.
- The use of available TRP funds provides an alternative to creating nine new Solid Waste Capital Improvement Plan projects.
- The Board of County Commissioners awarded this contract on November 3, 2014 and the First Amendment on March 21, 2017.
- This item was deferred from the May 19, 2020 Board meeting.

Contract No. 134-0171-P (LN); no increase to the contract amount of \$566,327,899.00 through November 2, 2024. Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Plan:

Practice Superior Environmental Stewardship

3.4 Reduce/reuse/recycle resources including energy, water, and solid waste

Foster Continual Economic Growth and Vitality

4.4 Invest in infrastructure to meet current and future needs

Deliver First Class Service to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

Summary:

This Second Amendment provides for the inclusion of nine (9) newly identified WTE TRP projects at a total estimated cost of \$11,332,487.00. The TRP is the Waste to Energy (WTE) capital reinvestment program to repair and replace major systems, structures and components (SSCs).

The nine (9) new projects are boiler water wall section replacement projects; three (3) water wall section replacements in each of the three (3) boilers. Schedule 19, Section 3.2 of the Service Agreement provides for the replacement of boiler sections that may be subject to stress cracking or waterside corrosion, after the Initial Operating Period. These projects were not included in the original project scope because the condition could not be determined until the sections were opened for inspection. Per the original agreement, the County is financially responsible for boiler tube replacement projects.

The current TRP expenditure cap is \$243,357,899.00. The current TRP project expenditure and remaining obligation is \$230,449,633.23, leaving an unobligated balance of \$12,908,265.77. The inclusion of the nine (9) new projects will not exceed the TRP expenditure cap.

This Second Amendment provides for County-directed use of remaining unobligated TRP funds to complete other TRP projects provided the TRP expenditure cap is not exceeded.

Background Information:

On November 3, 2014, the Board awarded the original contract (Service Agreement) with a total estimated value of \$470,000,000.00. The Service Agreement term is ten (10) years for operation and maintenance services and included a \$150,000,000.00 capped budgeted capital reinvestment expenditure to Covanta for projects to repair and replace SSCs; referred to as the TRP.

On March 21, 2017, the Board approved the First Amendment, which increased the original TRP expenditure cap from \$150,000,000.00 to \$243,357,899.00. The additional \$93,357,899.00 was required to complete the major repair and replacement of SSCs, extending the WTE Facility life by twenty years. Amendment No. 1 also provided for continuance of an escalated capacity maintenance fee, paid as part of the processing fee, for an additional two years (\$2,970,000.00); defined the process for payment of project management costs during the extension period; and extended certain performance waivers provided during the "Initial Operating Period" (IOP) for an additional two years, or until the majority of the TRP projects have been completed.

Fiscal Impact:

There is no fiscal impact as the approved ten year not to exceed expenditure remains:
\$566,327,899.00

Funding is derived from the Solid Waste Enterprise Funds and is consistent with the FY20 estimate and FY21 request submitted as part of FY21 budget development.

Staff Member Responsible:

Paul S. Sacco, Director, Solid Waste

Merry Celeste, Division Director, Purchasing and Risk Management, Administrative Services

Partners:

N/A

Attachments:

Amendment Number Two