
COMMISSION DISTRICT: All

FILE NO.: SW22-0050

DATE: 12/7/2021

SUBJECT: Fourth Amendment to the Third Amended and Restated Service Agreement Between Covanta Pasco, Inc. and Pasco County, Florida – Waste to Energy Expansion Stage 1 Design and Pre-procurement Services – \$4,600,000.00

REFERENCES: UTSW20-0273

AGENDA SECTION: Consent Agenda

THRU: Michael Carballa, Assistant County Administrator

FROM: Justin Roessler, Solid Waste Director

RECOMMENDED BOARD ACTION:

Approve the Fourth Amendment to the Third Amended and Restated Service Agreement between Covanta Pasco, Inc. (Covanta) and Pasco County, Florida, for the Waste to Energy Expansion Stage 1 Design and Pre-procurement Services, in the Not To Exceed (NTE) amount of \$4,600,000.00 for Fiscal Year (FY) 2022. Authorize the Chairman to execute the two originals of the Service Agreement Amendment; and direct Board Records to distribute as set forth under the Distribution section below.

BACKGROUND SUMMARY/ALTERNATIVE ANALYSIS:

On April 21, 2020, the Pasco County Board of County Commissioners (BCC) approved Authorization to Begin Negotiations via Exempt Purchase Justification with Covanta Pasco, Inc., for a Design Build Operate Agreement (DBO) for the Solid Waste Department's Waste to Energy (WTE) Facility expansion. Over the past 18 months, Covanta has worked to develop a basis of design for the project, provide an initial cost estimate, and retain a power engineering firm for detailed design services. During this time, the County has been in the process of obtaining the necessary environmental permits for the project. The required permit applications have been submitted to the Florida Department of Environmental Protection and US Environmental Protection Agency for review and approval.

The majority stake in Covanta has recently been acquired by a private equity firm and Covanta is currently in the process of privatization. Due to Covanta's organizational transition and the magnitude and complexity of the design build contract, negotiations between the County and Covanta on this agreement are still on-going. To advance the project design, obtain more detailed construction cost estimates, and meet the County's targeted start date of January 1, 2026, the parties recommend the BCC to amend the current service agreement between the County and Covanta Pasco, Inc. to include WTE design and pre-procurement services up to the 30% level of effort while the overall DBO agreements continue to be developed.

The parties have agreed to the following terms under this amendment:

The Contractor shall perform the Stage 1 Services described in Appendix A to this Agreement in accordance with the applicable provisions of the Service Agreement. The Stage 1 Services deliverables, reporting requirements, schedule and payment provisions are set forth in Appendix A to this Fourth Amendment. The work and services to be provided and/or performed by the Contractor

shall be done in accordance with the generally accepted standards of professional practice and in accordance with the laws, rules, regulations, ordinances, codes, policies, standards or other guidelines issued by any governmental agency having jurisdiction over all or a portion of any work performed under this Contract in effect at the time the County executes this Amendment and/or which may subsequently be changed or revised, subject to section 6.09, Uncontrollable Circumstance, of this Service Agreement. All final documents, reports, studies, or other data prepared by the Contractor shall bear a professional's seal/signature in accordance with the applicable Florida Statutes and/or any applicable Administrative Rules promulgated by the Florida Department of Business and Professional Regulation (where applicable).

The detailed scope of design and pre-procurement services being performed under this amendment are included in the Attachments in Appendix A. The Solid Waste Department anticipates that a full design build agreement will be brought to the BCC for final approval in the third quarter of FY 2022.

The anticipated schedule and budget for this project is:

Project Activity	Scheduled Start	Scheduled Completion	Budgeted Amount
Pre-procurement and 30% Design	December FY 2022	October FY 2022	\$4,600,000.00
Remaining Design and Construction	October FY 2022	January FY 2026	\$215,000,000.00
		Total:	\$219,600,000.00

The Solid Waste Department, with concurrence from the Purchasing Department, requests approval of the fourth amendment to the third amended and restated service agreement with Covanta in the NTE amount of \$4,600,000.00 for FY 2022.

FISCAL IMPACT/COST/REVENUE STATEMENT:

Funding in the amount of \$4,600,000.00 is budgeted and available for FY 2022 in the Solid Waste Capital Improvement Fund, Public Infrastructure, Waste to Energy (WTE) Expansion, Project #20132 and various other accounts within the Public Infrastructure Branch.

DISTRIBUTION:

Board Records to distribute as set forth below:

1. Retain One Original
2. Electronically to:
 - a. Scott Holkeboer, Vice President, Covanta, Inc. – sholkeboer@covanta.com
 - b. Justin Roessler, Solid Waste Director – jroessler@pascocountyfl.net
 - c. Joseph Richards, Pasco County Attorney's Office – jrichards@pascocountyfl.net
3. Mail One Original to:

Scott Holkeboer, Vice President
Covanta, Inc.
3001 110th Ave. N
St. Petersburg, FL 33716
Telephone: (616) 481-8246

ATTACHMENT(S):

1. SW22-0050 Fourth Amendment to the Third Amended and Restated Service Agreement with Appendix A (Two Originals)
2. SW22-0050 Memorandum UTSW20-0273
3. SW22-0050 Location Map

cc: Stacey Ziegler, Purchasing Director