## **Laurie Cohen**

From:

Rob Beitler < RBeitler@pbcgov.org>

Sent:

Friday, August 15, 2014 1:27 PM

To:

Laurie Cohen

Subject:

RE: Renewal of Contract with Waste Management

Laurie,

From your e-mail below, it is my understanding that the Wellington Village Council has requested the OIG's comments regarding the propriety of the Village renewing its current contract with Waste Management.

I understand the background is as follows. The Village engaged in a published competitive procurement for these services in 2008. The Village's solicitation advised prospective bidders that the initial contract would be for a period of seven years, with one possible seven year "contract renewal." That potential renewal is provided for in the current contract, and is the subject of this inquiry.

The Village's purchasing policies require a competitive procurement for any purchase exceeding \$25,000 in value. The value of a seven year renewal of the WM contract is well beyond this threshold. However, this contract *was* competitively procured and did provide for one possible "contract renewal." Based on these facts, I am unaware of any provision of law which would be violated if the Village were to renew its contract with Waste Management.

I should note that the term "contract renewal" generally has a specific meaning; i.e., to extend the time of the contract under the same general terms. Therefore, if material changes were made to the contract terms for a "renewal" and if a challenge to that contract was filed in court, it is possible that a judge would rule that this constituted a new arrangement (contract) rather than a true "renewal" and therefore, the new contract violated the Village's procurement policies.

Although I am aware of no law that would be violated if the Village were to renew this contract, I will close by noting that public policy in Florida encourages the use of competitive procurements:

"287.001 Legislative intent.—The Legislature recognizes that fair and open competition is a basic tenet of public procurement; that such competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically; and that documentation of the acts taken and effective monitoring mechanisms are important means of curbing any improprieties and establishing public confidence in the process by which commodities and contractual services are procured. ..."

The OIG also encourages public entities to use competitive procurements, which generally produce the best value for the taxpaying public.

Rob
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From: Laurie Cohen [mailto:lcohen@wellingtonfl.gov]

Sent: Wednesday, August 13, 2014 2:50 PM

To: Rob Beitler Cc: Maria Pisz

Subject: Renewal of Contract with Waste Management

Hi Rob.

As we discussed, the Village's contract with Waste Management is expiring and Council is considering whether to exercise its renewal option under the existing contract, re-bid the contract or explore the possibility of piggy backing on another contract. I have reviewed the existing contract, which was competitively bid in 2008, and it is my opinion that Council may, if it chooses, elect to exercise the renewal option without re-bidding the contract. I would appreciate it if your office would review the attached contract and agenda item and let us know whether you believe the Council may exercise the renewal if it deems it in the best interests of the residents of Wellington. I have attached hereto a copy of the 2008 agenda item, the contract, and the agenda item from last night's Council meeting. If there is anything else you need, please do not hesitate to contact us.

We thank you for your assistance in this matter.

Laurie S. Cohen
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