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WILLIAM CAPOTE

Deputy Mayor
KENNY JOHNSON

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AGENDA

SPECIAL COUNCIL MEETING 2020-14

WEDNESDAY

April 22, 2020 – 6:00 P.M.

City Hall Council Chambers

CALL TO ORDER:

ROLL CALL:

PUBLIC COMMENTS:

PROCUREMENT(S):

Miscellaneous:

1. Solid waste and recycling collection services, authorization to negotiate – RFP 03-0-2020 – Public Works Department (Republic Services of Florida).

BUSINESS:

1. Resolution 2020-15, amending Resolution 2020-09, as amended, extending the State of Local Emergency as declared by Legislative Order D-2020-01.

ADJOURNMENT:

Pursuant to Section 286.011, Florida Statutes, and Executive Order 20-69, notice is hereby given that the City of Palm Bay shall hold the above public meeting on April 22, 2020, beginning at 6:00 P.M. and lasting until the meeting is complete. The meeting will be conducted via communications media technology (teleconference/video conference).

THIS VIRTUAL MEETING IS BROADCAST LIVE ON THE CITY'S WEBSITE

Public comments may be submitted via email at publiccomments@palmbayflorida.org. Members of the public may also call (321) 726-2740 to provide comments via a dedicated City of Palm Bay public comment voicemail. All comments submitted will be included as part of the public record for this virtual meeting and will be considered by the City Council prior to any action taken. Comments must be received at least twenty-four (24) hours prior to the meeting and shall have a time limit of three (3) minutes.

If an individual decides to appeal any decision made by the City Council with respect to any matter considered at this meeting, a record of the proceedings will be required, and the individual will need to ensure that a verbatim transcript of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based (Section 286.0105, Florida Statutes). Such person must provide a method for recording the proceedings verbatim.

In accordance with the Americans with Disabilities Act, persons needing special accommodations for this meeting shall contact the Office of the City Clerk at (321) 952-3414 or Florida Relay System at 711.



LEGISLATIVE MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Lisa Morrell, City Manager

REQUESTING DIRECTOR: Gary Woodson, Public Works Director
Juliet Misconi, Chief Procurement Officer

DATE: April 22, 2020

RE: Authorization to Negotiate Solid Waste and Recycling
Collection Services for RFP #03-0-2020/SB

SUMMARY:

Background

The City's current franchise agreement for citywide residential and solid waste services with Waste Management Inc. of Florida (Harris Sanitation, Inc.) was negotiated and adopted in 2010. Waste Management (WM) has provided solid waste services for the City for approximately thirty years. The current agreement includes once weekly residential solid waste and recycling service as well as the franchise for the vendor to service commercial customers. Key aspects of the agreement include:

- Monthly or quarterly billing for residential solid waste on City utility bills is handled by the City. Waste Management directly bills commercial customers.
- The City is responsible for purchasing and maintaining the cart inventory, including distributing new carts and collecting carts for non-payment.
- WM provides the City with a 10% franchise fee on commercial and multi-family accounts.
- City-owned and managed facilities are serviced at no cost.

At the February 7, 2019 Regular Council Meeting, City Council decided not to renegotiate or renew the current contract with Waste Management and directed staff to conduct a competitive procurement process. The current agreement expires September 30, 2020.

Procurement Process

The City of Palm Bay issued a Request for Proposals (RFP) in November 2019 to request proposals from collectors for award of a new franchise agreement to provide citywide collection and hauling services for single-family and multi-dwelling residential solid waste, recyclables, yard waste, bulky waste, white goods, electronic waste and tires; and, for commercial solid waste

collected in individual containers, front-load containers/bins, and compactors. The City requested pricing on both a base proposal and an alternate proposal. The base proposal is twice weekly automated curbside residential garbage collection, and the alternate proposal is once weekly automated curbside residential garbage collection. For both proposals, recycling and yard waste pick-up would be once weekly.

The City also requested options for residential sizes on the solid waste collection containers; strategies for utilization of the City's existing City-owned solid waste residential container inventory; wheel-out solid waste service for those who are physically disabled; no-cost collection at City facilities and for certain City events; improper set out and hazardous waste collection notification procedures; transition plan to assume residential billing, service commencement, suspension and termination currently performed by the City; customer service strategies and approaches; reporting capabilities for the City to monitor contract performance; a detailed transition plan for continuity of services; and value-added elements, such as environmentally friendly initiatives, recycling initiatives, public outreach and education, and community partnerships.

Procurement took proactive steps to encourage collector participation in the City's RFP. Staff recognized the competitive challenge of a limited marketplace, combined with competitively soliciting solid waste services for the first time, and that the City's incumbent vendor has a long-standing contract with the City. Procurement identified seven collectors operating in Florida and did outreach to encourage their participation. A total of six collectors downloaded the RFP documents, including four that the City originally identified. Of those four, only one did not respond, and provided several reasons, including competitive pricing and recycling processing.

In all, four total responses were received in response to the City's solicitation: Three proposals were received, and one statement of no proposal was received from the incumbent vendor. The Procurement department did an analysis of the number of proposal responses other agencies received in the last year. The agencies were a mix of counties and municipalities in Florida, ranging in population size from City of Atlantis (2,133) to Brevard County (535,641). The average number of responses was 3.63; only one agency received more than four responses, including "no proposal" statements (Citrus County received five). Considering the above-mentioned challenges, the Procurement department is satisfied with the level of competition in response to the RFP.

Waste Management Statement of No Proposal

The City's incumbent vendor, Waste Management, Inc. of Florida (WM), provided a statement of no proposal, citing five specific components to support their reason. City staff offers the following responses for information purposes:

1. Reason from WM: Contractor assuming direct billing to residents.
Response from Staff: Addendum #3 provided proposers a revised price sheet which had a section for proposers to furnish an alternate rate if the City maintained billing and customer

service. The three responding proposers provided a proposal to assume billing and customer service.

2. Reason from WM: Unlimited bulky waste collection, in lieu of the current 3-cubic yard limit.

Response from Staff: Tab 5, Project Approach / Methodology, requested proposers to identify any deviations from the scope of work. Bulky waste piles are an identified concern for the City and a performance improvement anticipated from the result of this solicitation process. This component was addressed in Addendum #3:

Vendor Question Q7. Page 15, Item I1, Bulky Waste. The current franchise agreement states a 3 cubic yard limit per residence per week for bulky waste collection. Will the City please add this limit to this scope of work to help provide for the lowest possible residential rates?

City Answer A7. The City desires unlimited bulky waste collection. The City understands the concern of the Collector regarding this item. Collectors are advised to include in their response what is included in the proposed service. If unlimited bulky waste collection is not included, Collector shall specify what volume of collection per residence per week is included.

3. Reason from WM: Inadequate CPI index for annual pricing adjustments.

Response from Staff: Tab 5, Project Approach / Methodology, requested proposers to identify any deviations from the scope of work. Public Works compared three indices that were relevant or locally used. After a review of the average rate of increase from 2008 to 2018, it was determined to use the CPI – All Urban Consumers, All Items in the South Urban Region (CPI-SUR) as it had the least overall change for the citizens and would provide consistency for rate increases in the Palm Bay area. In addition, Procurement reviewed the solicitation and addenda issued for Brevard County Board of County Commissioner's recently awarded solid waste solicitation. The County twice declined to change from the CPI-U index via addendum, but WM still responded to that RFP.

4. Reason from WM: Possibility of a split franchise agreement.

Response from Staff: This was addressed in Addendum #1, Question #1:

Vendor Question Q1. Page 5, Standard Terms & Conditions, Acceptance and Rejection. This provision states that "the City may award sections individually or collectively whichever is in its best interest." Will the City please clarify this provision?

City Answer A1. This is standard language. For this solicitation, it is the City's intent to award to one collector.

5. Reason from WM: Lack of a draft franchise agreement.

Response from Staff: City Staff discussed this issue with the City Attorney's Office. The City Attorney's Office concurred with Staff that experienced contractors in solid waste and recycling services would have access to sample contracts including contracts that they used with other governmental entities. None of the three proposers took exception to this requirement.

Review of Proposals

The City received proposals from the following companies: Great Waste & Recycling Services, LLC, Republic Services of Florida, and Waste Pro of Florida, Inc. Procurement staff reviewed the proposals

for responsiveness and provided all three proposals to the evaluation team. A five-member evaluation team comprised of staff from the City Manager's Office, Finance, Public Works and Utilities evaluated the proposals with input from the City's solid waste consultant, Kessler Consulting. The evaluation team discussed and scored written responses on non-price factors only, including summary of qualifications, project approach and methodology, and transition plan. Points for proposed cost were determined by the Procurement Department based on the formula published in the RFP. Local preference was not applied to this request as the annual cost exceeds one million dollars.

Subsequently, the evaluation team requested all three proposers provide both written clarifications and oral presentations which included a question and answer session. The evaluation committee scored the collectors on written response to non-price factors and the oral presentations. Those points were combined with the points for proposed cost to create a final score and ranking. The evaluation team unanimously recommended the top ranked collector for both the base and alternate scenarios, Republic Services of Florida, out of Vero Beach, Florida, as the firm to present to Council for permission to negotiate.

Throughout the process, Republic Services of Florida (Republic) was the highest ranked firm in every phase – initial written proposal, written clarifications, and oral discussions. Components of Republic's service offerings include:

- No size or weight limit on residential bulky waste and yard waste.
- Ability to take over residential billing and cart program, with the City retaining ownership of carts.
- Select My Cart program allowing residents to choose from three cart sizes.
- Three U.S.-based customer service centers located in separate time zones to provide extended customer service hours (15 hours weekdays; 4 hours on Saturdays).
- Electronic customer service options include both a website request center as well as a smartphone app for service requests.

They also presented a detailed transition plan providing for new fleet & back-up fleet alternatives and new customer service personnel & training approaches to maintain high levels of service with a realistic timeline of objectives and deliverables. The answers Republic provided to the evaluation committee's questions made it clear that, based on the timeline originally anticipated, Republic was the only collector who would be able to meet the October 1, 2020 start date. The proposal also includes a 10% franchise fee calculated on gross revenue from residential, commercial, and multi-family billing.

The attached Tabulation of Residential Costs includes the residential pricing from all three collectors. Scoring was calculated based on the formula published in the RFP and was based on the residential rates plus the sum of all other front-end loader rates (multi-dwelling and commercial) for both the base and alternate options. As anticipated based on industry trends and the length of time since the City last negotiated an agreement for solid waste services, the proposed costs are significantly higher than the current rate. Residential monthly rates in 2010 were \$10.81 and are currently \$12.30 per month for

once weekly service. Over the 10 years of the contract, residential rates only increased by \$1.49 or 14%. Republic's proposed rates are:

- Base (2x/week): \$29.09 per month (137% higher or \$16.79 more per month)
- If City retains billing/cart program: \$27.66 per month (125% higher or \$15.36 more per month)
- Alternate (Once weekly): \$19.08 per month (55% higher or \$6.78 more per month)
- If City retains billing/cart program: \$17.75 per month (44% higher or \$5.45 more per month)

Proposed commercial rates are also higher than current. A sampling of commercial rates includes:

Commercial Front End Load Business Containers (monthly):

2 Yard with 1x/week service:	\$78.55	(30% higher or \$18.06 more per month)
2 Yard with 2x/week service:	\$157.09	(30% higher or \$36.10 more per month)
4 Yard with 1x/week service:	\$157.09	(30% higher or \$36.10 more per month)
4 Yard with 2x/week service:	\$314.18	(30% higher or \$72.21 more per month)

Staff is requesting authorization to negotiate Solid Waste and Recycling Collection Services for RFP #03-0-2020/SB with the top ranked collector, Republic Services of Florida, for the future solid waste franchise agreement.

Staff is also seeking City Council direction regarding which residential service option to focus on in negotiations. The Base proposal provides residential customers with twice weekly trash service and the Alternate provides for once weekly service; recycling and yard trash serviced once weekly with either scenario.

In November 2019, the City promoted an online survey to engage the community regarding the solid waste service. Approximately 1,260 responses were received. Relevant to the frequency of residential pickup and the cost component, two of the survey questions and responses are provided below:

Question 4: Residential Service currently includes garbage pickup once per week. Please provide your preference for frequency of pickup.

43.05% - It should stay the same.

47.02% - Increase to twice a week.

9.93% - No preference.

Question 5: It is unknown at this time what an increase in frequency of residential garbage pickup (from once a week to twice a week) will cost. Would you be inclined to pay more for twice a week garbage pickup?

29.33% - Yes.

70.67% - No.

REQUESTING DEPARTMENTS:

Public Works Department, Procurement Department

FISCAL IMPACT:

The action requested today is to negotiate with the top ranked collector. The estimated annual value of the service based on rates proposed and historical usage as published in the RFP for residential single family, multi-family, commercial front-end loaders, rolls offs, and commercial carts for the Base Proposal is \$18,877,962.84 and for the Alternate Proposal is \$13,953,042.84. FY 2021 fiscal impact will be further refined and presented to City Council following negotiations and included with the request for award.

RECOMMENDATION:

Motion to authorize City staff to negotiate the franchise agreement for RFP #03-0-2020/SB, Solid Waste and Recycling Collection Services with Republic Services of Florida, with the option of either:

- a. Base Proposal providing for twice weekly residential service
- OR
- b. Alternate Proposal providing for once a week residential service

Attachments: Available on request

- 1) Final Ranking – Base and Alternate Proposals
- 2) Tabulation of Residential Costs
- 3) Rate Tabulation for Price Scoring
- 4) 2019 Solid Waste Survey Results
- 5) Comparison of Residential Solid Waste Rates

RESOLUTION 2020-15

A RESOLUTION OF THE CITY OF PALM BAY, BREVARD COUNTY, FLORIDA, AMENDING RESOLUTION 2020-09, AS AMENDED BY RESOLUTIONS 2020-10, 2020-11 AND 2020-13, BY EXTENDING THE STATE OF LOCAL EMERGENCY DECLARED BY LEGISLATIVE ORDER D-2020-01; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, during the past weeks, a severe acute respiratory illness known as Coronavirus Disease 2019 (COVID-19) has spread among humans through respiratory transmission and other potential methods, and presents symptoms similar to those of influenza with the elderly and persons with underlying medical issues particularly at risk, and

WHEREAS, Governor Ron Desantis declared that a state of emergency existed within the State of Florida and issued Executive Order 20-52 on March 9, 2020, and

WHEREAS, Mayor Capote declared a State of Local Emergency and issued Legislative Order D-2020-01 on March 19, 2020, and

WHEREAS, City Council approved extensions to the State of Local Emergency via Resolutions 2020-09, 2020-10, 2020-11 and 2020-13, and

WHEREAS, the City's State of Local Emergency terminates at the end of a period of seven (7) consecutive days (April 23, 2020) unless prior to the end of the time frame, the City Council extends or terminates same by resolution, and

WHEREAS, the City Manager has certified that the emergency continues to exist.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM BAY, BREVARD COUNTY, FLORIDA, as follows:

SECTION 1. The State of Local Emergency, declared by Legislative Order D-2020-01, is hereby extended by one (1) day (April 24, 2020).

SECTION 2. All provisions contained within Legislative Order D-2020-01 shall remain in full force and effect.

SECTION 3. This resolution shall take effect immediately upon the enactment date.

This resolution was duly enacted at Meeting 2020- , of the City Council of the City of Palm Bay, Brevard County, Florida, held on , 2020.

William Capote, MAYOR

ATTEST:

Terese M. Jones, CITY CLERK