



Mayor
WILLIAM CAPOTE

Deputy Mayor
KENNY JOHNSON

Councilmembers
HARRY SANTIAGO, JR.
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AGENDA

SPECIAL COUNCIL MEETING 2020-20

THURSDAY

May 28, 2020 – 6:00 P.M.
City Hall Council Chambers

CALL TO ORDER:

ROLL CALL:

PUBLIC COMMENTS:

PROCUREMENT:

Award of Proposal:

1. Solid Waste and Recycling Collection Services – RFP 03-0-2020 (Republic Services of Florida - \$18,301,027 estimated annual value).

BUSINESS:

1. Resolution 2020-26, 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 May 28, 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: Juliet Misconi, Chief Procurement Officer

DATE: May 28, 2020

RE: Authorization to Award and Execute Agreement for 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.

The City 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. Collectors were also asked to provide pricing for the base and alternate proposals if the City retained either billing functions or the cart management program, or both. 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 were significantly higher than the current rates.

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. At the April 22, 2020 Special Council Meeting, City Council authorized staff to negotiate with the top ranked firm, Republic Services of Florida (Republic), for twice per week residential services. The City Manager assembled a negotiation team consisting of herself, the City Attorney, the Deputy City Manager, and the Chief Procurement Officer.

Result of Negotiations

In May 2020 City staff held a series of negotiation meetings with Republic. The primary goal of the negotiation team was to reduce the residential rate for twice a week pick up. Based on discussions, staff is recommending twice weekly residential services to include the City retaining billing functions while the contractor takes on responsibility for cart management.

Residential customers currently receive solid waste pickup 1x per week at a rate of \$12.30 per month. The current rates, along with the initially proposed rates and the rates following negotiation are provided below. Residential rates based on the original proposal for this type of service were \$27.75 per month, an increase of \$15.45/month or 126%. Based on the negotiated rate, residential customers would pay \$23.50 per month, an increase of \$11.20/month or 91% more than current rates. The rate dropped 15% based on negotiations.

Commercial customer rates in the original proposal were increasing by 30%. In order to distribute the proposed increase and meet the objective of lowering the residential rate, based on the negotiated rates, the commercial rates are 54% higher than the current rates. The rates increased by 19% following negotiations. A summary of these rates, along with all rate types provided are included in Attachments 1 and 2.

Key Highlights

Term: The term of the agreement is for 10 years with two, 2-year renewals, for a maximum term of 14 years. This varies slightly from the original proposed term of 10 years with one, 5-year renewal.

Franchise Fee: The 10% franchise fee is only included on commercial and multi-family, not residential. Republic's proposal included a franchise fee for residential; eliminating the franchise fee on the residential reduces the residential rates and matches the current contract with Waste Management.

The FY 2020 revenue budget is \$360,000. Based on this proposal, the franchise fee for FY 2021 is estimated at \$527,000.

Consumer Price Index: The agreement will include an annual rate increase cap of 3%.

Unlimited bulk and yard waste pick-up for residential customers. The current contract with Waste Management has a bulky waste limit of three cubic yards. The negotiated agreement has unlimited bulk waste and yard waste pick-up within three operating days of identification to Republic, which can be reported by the driver (no action required by the resident) or can be requested by the resident to Republic via their local number, toll-free number, website, or mobile app.

Customer Education and Community Outreach for Transition: The proposed contract requires Republic to provide multi-faceted media and communications plans featuring City approved mailers, community events, Internet updates, media outreach, and phone calls to provide information about new services to customers. They will also provide educational and outreach materials to all City residents including service days, proper recycling methods, and a local phone number for Republic's customer service center, and access to a team of transition experts to assist residents and answer questions about carts, transition, process requests for a different Cart size, etc. The negotiated contract includes an Exhibit to provide clear parameters for appropriate set-out and collection of various types of residential waste.

Improved process for services issues/concerns: Although the City is retaining distribution and collection of billing, customer service issues will be handled by Republic. Calls received by the City that are not related to billing can be automatically directed to the Republic customer service centers, providing 15 hours of customer service availability on weekdays and 4 hours on Saturdays. Customer service and contact will be enhanced and increased. Republic uses the "Call 'em all" program to advise customers of service changes or impacts (for example, holiday schedules). For issues with contaminated piles, Republic will institute a marking flag program for enhanced visibility rather than the use of paper tags that blow away or are often not noticed by customers. The negotiated agreement contains a detailed process for resolving complaints, and a fine system the City can impose against the vendor for issues like missed pick-ups.

Reporting and Meetings: Significant expansion of required reporting per the proposed contract will provide the City with timely and useful information regarding multiple aspects of the contractually required services including items such as tonnage, routes, complaints, and contaminated recycling. Additionally, the negotiated agreement requires Republic to meet with City staff quarterly and appear before City Council at least annually.

Cart Program: The City will no longer handle the cart purchase, assembly, cleaning/maintenance, distribution or collection of carts. For the FY 2021 budget this will eliminate approximately \$606,000 in annual expenditures in the Solid Waste Fund; this does not include the FY 2020 final debt payment of \$303,277 for previous cart purchases.

Cart Ownership: The City will still own all carts at the end of the contract, including new carts purchased by Republic to replace lost, stolen, damaged or destroyed carts. For each month that the vendor scraps any carts that are removed from service due to end of life or damage, the value of the scrapped carts will be credited to the City on the monthly franchise fee remittance.

Cart Changes: There are over 5,000 extra carts that residential customers pay 0.50 cents per month to have serviced. With the change to twice weekly pick-up, Republic will offer these customers a one-time, no-cost swap out to 96 gallon carts. If the customer continues to desire service of an extra cart, the monthly service rate per extra cart will be \$9.79 (decrease from the original proposal rate of \$19.08). This swap out will occur at the start up of the contract.

Additionally, the contract will include a one-time, no-cost cart size change out for up to 40,000 carts; this is an increase from the 20,000 originally included in the proposal. Customers will have the option to change an existing 64 gallon cart to either a smaller 32 gallon cart or a larger 96 gallon cart. Customers can also make no change and continue to use the 64 gallon cart. Customers will have the opportunity to make their selection during an eight week period in late 2020, followed by a planned cart switch in early 2021.

Payments to Contractor: Under the current contract, Waste Management is paid for services by the City monthly based on gross billing, not based on collections. Under the proposed contract, Republic will be paid monthly based on actual revenue received by the City. If the City receives a partial payment, the City will remit the partial payment to the contractor, and the City has 90 days to remit the outstanding balance, whether the customer has paid in full or not by that time.

Solid Waste Fund Balance and Billing: The City costs to provide billing and the cart program have historically been passed along to the residential customers as an additional charge of \$1.87 per month (included in the overall rate of \$12.30). Although this proposed contract shifts the cart program to Republic, the City will still be responsible for the costs for billing which are approximately \$125,833 annually. However, this cost will no longer be included in the monthly rate and passed along to the residents. The projected fund balance in the Solid Waste Fund at the end of FY 2020 is anticipated to be around \$1.5 Million. This remaining fund balance will be used to cover the costs of billing and to float delinquent payments to the contractor.

Back Door Service: The contractor will continue to provide this service for elderly or disabled customers based on request.

Residential Minor Construction and Demolition Debris and Wood: Clarification has been added to the negotiated contract to include residential pick-up of containerized construction and demolition debris resulting from a customer's minor home improvement projects. Also clarified is that treated wood is excluded from pick-up.

Holiday Schedule: The holiday schedule is simplified and requires no additional action by residents (as opposed to early set out, like in the current agreement with Waste Management). There are only five recognized holidays under the contract: Memorial Day, Independence Day, Veterans Day, Thanksgiving, and Christmas day. In the event a holiday occurs on a residential customer's regular collection day, the customer will receive service on the next regular collection day. The twice weekly pick-up schedule is either Monday/Thursday or Tuesday/Friday. For example, a Monday holiday results in the next pick-up on Thursday, which means that even during a holiday, a customer will never go longer than a week without service. All residential customers will receive recycling service on Wednesday. If a holiday is on Wednesday, recycling service will move to Saturday for that week. In an additional negotiated enhancement to this service, after the first year of operations, Republic has agreed to annually review the holiday schedule and work with City staff to determine alternate days to provide residents with an extra pick-up in order to reduce the gap between service days when holidays occur.

REQUESTING DEPARTMENTS:

City Manager's Office, Public Works Department, Procurement Department

FISCAL IMPACT:

The estimated annual value of the service for the contract is \$18,301,027. General Fund revenues for the franchise fee for FY 2021 will increase from \$360,000 to \$527,000 annually. Solid Waste Fund expenditures will decrease with the removal of the cart program by around \$606,000 annually.

RECOMMENDATION:

Motion to award RFP #03-0-2020/SB, Solid Waste and Recycling Collection Services to Republic Services of Florida, and authorize the City Manager to execute the franchise agreement.

Attachments: (all available upon request)

- 1) Negotiated Rates - Summary
- 2) Original and Negotiated Rates
- 3) Franchise Agreement

RESOLUTION 2020-26

A RESOLUTION OF THE CITY OF PALM BAY, BREVARD COUNTY, FLORIDA, AMENDING RESOLUTION 2020-09, AS AMENDED BY RESOLUTIONS 2020-10, 2020-11, 2020-13, 2020-15, 2020-16, 2020-17, 2020-18, 2020-22 AND 2020-24, 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, the state of emergency declared in Executive Order 20-52 was extended for sixty (60) days under Executive Order 20-114 on May 8, 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, 2020-13, 2020-15, 2020-16, 2020-17, 2020-18 and 2020-24, and

WHEREAS, the City's State of Local Emergency terminates at the end of a period of seven (7) days (May 29, 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 seven (7) days (June 5, 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