

MEMORANDUM

Date: April 8, 2015

To: Mayor Marco A. Salvino, Sr.
Vice Mayor Bobbie H. Grace
Commissioner Chickie Brandimarte
Commissioner Walter B. Duke, III
Commissioner Albert C. Jones

From: Robert Baldwin, City Manager

By: Dominic F. Orlando, P.E. Director of Public Services

Re: Solid Waste Collection Services

In 2010, the City went through a bidding process for residential solid waste collection. The bid was awarded to Waste Management. That contract expires in September of 2015.

The current agreement allows for a five-year contract extension; however, Waste Management notified the Administration that it could not agree to an extension without a considerable increase in the monthly rate.

In an effort to control costs, the Administration is considering three changes to the way in which residential solid waste is collected in the City:

- Mandatory curbside collection for residential properties
- Expanded recycling program
- Increase initial contract period

Curbside pick-up is preferable since some alleys are too confined for mechanical equipment, which requires additional equipment and labor. Mandatory curbside pick-up will allow for haulers to bid using the cost efficient mechanical method of collection.

The use of a toter for recycling instead of a bin increases household recycling on an average of 40%. The City uses bins for recycling which limit the amount of material and are more costly to collect than use of a toter. Greater recycling would decrease the

City's disposal fees for waste and increase revenue from the sale of recyclable materials.

It is proposed that the City increase the initial contract period from five (5) to seven (7) years. The longer contract period allows the hauler to spread out the cost of equipment and materials over a longer period. The City has an existing Disposal Agreement with Waste Management that expires in seven years (1/1/2022). The proposed contract period would be for a term of seven years with a three-year option. The initial contract period coincides with the years remaining in the term of the Disposal Agreement. The three-year extension would allow the City to negotiate without the constraints of the Disposal Agreement. The total contract period remains the same at ten years. The City Charter limits waste collection agreements to no more than 20 years.

The Finance Department completed a survey of cities in Broward County and those that responded all have combined residential and commercial solid waste collection services contracts. Presently, monitoring the separate commercial haulers is time and labor intensive for Public Services, Finance and Code Compliance staff. Both Hollywood and Fort Lauderdale have an open commercial market, but both cities have larger staff to monitor their licensed haulers. The other cities that have similar disposal agreements with Reuters use exclusive commercial waste hauling.

The transition period from open commercial waste hauling to exclusive commercial waste hauling is three years. Notice must be given to the City's licensed waste haulers and businesses informing them that their contracts would be valid for no more than three years pursuant to state law. During the transition period, new businesses automatically would be serviced by the City's exclusive waste hauler.

The City Charter allows for the negotiation of waste hauling, services without competitive bidding. Considering the forgoing and the desire of the City Commission to get the best service for the best price, Administration believes it is best to solicit bids for this service. We are recommending that the Commission that consider the following options:

- A) Issue a bid for residential solid waste collection similar to the terms in 2010, requiring curbside pick-up (eliminating alley pick-up) with a new recycling

program and an alternative bid that would include exclusive commercial hauling as well as the residential collection; or

- B) Issue a bid for residential solid waste collection similar to the terms in 2010, requiring curbside pick-up (eliminating alley pick-up) with a new recycling program only.

We are looking for general direction from the City Commission. Option A is recommended. Regardless of your decision, Administration will bring back the bid specifications for commission approval prior to issuing the bids.

Commission direction is requested.

Supplemental Information on Waste Hauling

The City has an existing 18-year Disposal Agreement with Waste Management that expires 1/1/2022, with approximately seven years remaining, therefore the proposed contract period would be for seven years with a three year option. The commencement date was 10/15/2003 and a lump sum payment (rebate) of \$1,425,000.00 was made to the City by Waste Management at that time.

The Disposal Agreement requires payment of \$68.33 per ton by WM or the City to Reuters. Reuters pays the City a rebate of \$7.50 per ton. City will provide 19,000 tons per year; rebate will be \$142,500.00 per year. The rebate ends 9/15/2022. As mentioned above, payment of \$1,425,000.00 was made to City for the first 10 years, so the remaining 17 years' rebate will be \$67,058.83 subject to true-up. WM stated that they would not consider any revisions to this Agreement.

Dania Beach Residential Solid Waste Fee by Year

Year	2010	2011	2012	2013	2014
Annual	\$ 269.40	\$ 269.40	\$ 271.68	\$ 274.56	\$ 277.92
Monthly	\$ 22.45	\$ 22.45	\$ 22.64	\$ 22.88	\$ 23.16

Sanitation Survey -Single Family (SF) Residential

Municipality	FY 2014 SF Garbage Rate (Monthly)	FY 2015 SF Garbage Rate (Monthly)
Lighthouse Point	\$ 32.16	
Hollywood	31.00	
Plantation	29.15	
Fort lauderdale	28.95	
Parkland	28.60	29.15
Cooper City	24.59	
Sea Ranch lakes	24.58	
Deerfield Beach	24.54	
Margate	24.42	

Southwest Ranches	23.69	23.76
Dania Beach	22.88	23.16
Tamarac	22.81	22.81
Lauderdale Lakes	21.03	23.24
Pompano Beach	20.16	
Wilton Manors	20.04	
Hallandale Beach	18.87	
Miramar	18.75	
Coral Springs	18.41	18.82
Pembroke Pines	18.08	
North Lauderdale	18.01	18.00
Davie	17.74	18.52
Sunrise	17.15	
Oakland Park	17.08	17.08
Lauderhill	14.47	15.71
Lauderdale By The Sea	14.37	
Coconut Creek	13.84	14.13
Weston	13.60	14.79
West Park	32.96	33.31
Hillsboro Beach	4.49	
Pembroke Park	Private	
Lazy Lake	No info available	

Dania Beach Hauler Survey- Fiscal year 2015- Summary of Results

City	Hauler	Customer monthly rate	Monthly rate per household paid to Hauler	Commercial Hauling	Bulk Pick up	Recycling	No of times per week picked up			No of Containers		Mechanically Picked up		Pick up at City Facilities	Multifamily Dwellings (Residential or Commercial)	Bid Date	Bid Award/contract Date	Term of Contract	Notes
							(Bulk)	(Recycle)	(Regular)	(Recycle)	(Regular)	(Recycle)	(Regular)						
Dania Beach	Waste Mgmt	23.16	22.23	No	Yes	Yes	1x mth	1	2	??	??	??	Yes	Yes		10/1/2010	5 yrs with 1 or more addtl (5yr) renewals	Hauler provides services for maximum 10 Community Events; Contract Procurement Cost \$25K (1 time only)	
Coconut Creek	Republic Services d/b/a All Service	\$ 14.13	\$ 9.67	Yes	Yes	Yes	1	1	2	1 (65 gal or 35 gal)	1 (additional @ \$75 to contractor)	Yes	Yes	Yes	Residential	10/1/2011	4 yrs with three (2yr) renewals	Hauler pays \$20K annual to sponsor City events; \$45K annual to fund recycle activity; 2% annual admin fee; Provide service for ALL City events	
Lighthouse Point	Waste Mgmt	\$ 32.90 \$ 28.75	\$ 32.50 \$ 28.06	Yes	Yes	Yes	2	1	2	1	0	No	No	Yes	Residential unless they have dumpster service	3/11/1998 7/1/2013	5 yrs with two (3yr) renewals	single family 1-4 Units condo >4 Units Hauler pays administrative fee \$115K per year	
Lauderdale by the Se	Waste Pro	\$ 14.37	\$ 12.54	Yes	Yes	Yes	1x mth	1	2	1	1	Yes	Yes	Yes	Residential	7/1/2009	3 yrs with three (3-5yr) renewals	Hauler provides services for maximum 12 Community Events	
Parkland	Waste Mgmt	\$ 29.15	\$ 26.27	Yes	Yes	Yes	1x mth	1	2	1	0	Yes	No	Yes	Commercial	1/16/2008	5 yrs with three (5yr) renewals		
Coral Springs	Waste Pro	\$ 18.82	\$ 6.61	Yes	Yes	Yes	1	1	2	1	1	Yes	Yes	Yes	Residential if accommodate carts, otherwise Commercial	6/21/2012	9 yrs	Hauler pays monthly administrative fee \$8K; monthly street sweeping costs \$3K; monthly litter collection cost \$12K; plus one-time \$185K Procurement Cost; plus one-time litter cost \$190K; on-time Transfer Station cost \$50K; monthly code enforcement cost \$2.5K; one time operation support \$300K	
Weston	Republic	\$ 14.29	\$ 9.74	Yes	Yes	Yes	1x Qtr	1	2	1 (65 gal or 35 gal)	1 (96 gal)	Yes	Yes	Yes	Can be Both	6/6/2012 4/5/2013	5 yrs 6 mo.	Hauler provides service for maximum 10 Community Events	
Cooper City	Waste Mgmt	\$ 24.99	\$ 28.17	Yes	Yes	Yes	1x mth	1	2	1	2	No	Yes	Yes	Commercial		Bid in 2000; multiple renweals	Hauler pays \$50K for annual contract administration: \$7.5K Scholarship; 6 solar powered recycle compactors for parks	
Southwest Ranches	Southern Waste/Sun Bergeron	32.28-41.68	\$ 25.94	Yes	Yes	Yes	2x mth	1	2	1	1	Yes	Yes	Yes	Residential		Multiple contracts	Cost of Contract Admsintation \$35K paid by Hauler	
Pembroke Pines	Waste Pro	\$ 18.24	\$ 14.36	Yes	Yes	Yes	2x mth	1	2	1	1	Yes	Yes	Yes	Commercial	11/6/2012 3/6/2013	5 yrs	Hauler Provides \$120K annual to Fund Contract Manager Position	
North Lauderdale	Waste Pro	\$ 18.00	13.79 or 10.55 +FF	Yes	Yes	Yes	1	1	2	1	1	No	No	Yes	Commercial				