Date: September 1, 2015

To: Mayor Marco A. Salvino, Sr.

 Vice Mayor Bobbie H. Grace

 Commissioner Chickie Brandimarte

 Commissioner Walter B. Duke, III

 Commissioner Albert C. Jones

Through: Robert Baldwin, City Manager

From: Proposal Review Committee

Subject: Residential Solid Waste Collection Services and Alternatives 1, 2 & 3

 Request for Proposals No. 15-010

Background

The Solid Waste Collection Services Contract with Waste Management (WM) expires September 2015. The existing contract provides for an extension option. Earlier this year, several meetings were held with Waste Management to discuss the option to extend the contract. Waste Management indicated existing alleyway conditions had resulted in increased equipment and labor costs. Due to the cost increase Waste Management would not consider extending the contract at the same terms and definitely would not be able to provide the service without a considerable increase in the contract price.

The City Commission, upon the recommendation of the City Manager, approved seeking competitive proposals incorporating two changes to residential solid waste collection in an effort to lower residential rates:

* Mandate curbside only collection of garbage, bulk waste and yard waste
* Include exclusive commercial service as part of the residential contract

Process

The Public Services Department developed the RFP incorporating direction provided by the City Commission. The RFP was designed to measure the cost differential of curbside versus alleyway service and the impact of exclusive commercial service on both options.

The RFP was issued on July 23, 2015, a mandatory proposers meeting was held on August 5, 2015, and the RFP’s were received on August 21, 2015.

The proposal Committee consists of five members: Colin Donnelly, Assistant City Manager; Nicki Satterfield, Director of Finance; Adam Segal, Assistant Finance Director; Ronnie Navarro, Interim Director of Public Services and Russel Ketchem, Solid Waste Manager for the City of Pompano Beach, Florida.

The Proposal Committee met on August 21, 2015 to review the submitted proposals and then met again on August 26, 2015 to rank the proposers. The ranking meeting was publically noticed by the City Clerk’s Office. The Proposal Committee recommendation is attached and made part of this memorandum.

Results and Analysis

Of the four submitted proposals, two proposals, World Waste Recycling and Southern Waste Systems, failed to meet the requirements of the Competency of Proposers Section 1.08 (a) that requires proposers “must have a minimum of two years of current experience providing similar residential services to a minimum of 7,000 residents in one municipality in Florida” and are deemed Non-Responsive Proposers. World Waste Recycling is deemed Non-Responsible by the Proposal Committee (see the Committee attached recommendation).

Both Waste Management and Waste Pro were sufficient in all areas of their proposal and were found to be both Responsive and Responsible proposers and offer comparable services to the City.

Table: Monthly Cost per Residential Dwelling Unit

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Proposer | Primary Proposal | Alternate 1 | Alternate 2 | Alternate 3 |
| World Waste Recycling | ~~$17.39~~ | ~~$17.39~~ | ~~$17.39~~ | ~~$17.39~~ |
| Waste Management of South Florida | $28.33 | $36.38 | $26.81 | $34.90 |
| Waste Pro of Florida, Inc. | $36.86 | $37.43 | $36.86 | $37.43 |
| Southern Waste Systems | ~~$46.50~~ | ~~$46.50~~ | ~~$40.75~~ | ~~$40.75~~ |

|  |
| --- |
| Indicates non-responsive proposer – does not meet requirement of Section 1.08(a) of the RFP – “Contractor must have a minimum of two years of current experience providing similar residential services to a minimum of 7,000 residents in one municipality in Florida.” |

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| Indicates least cost for each proposal (type of service). |

Analysis of the Non-Residential rates is limited to the differential between the two Proposers. Waste Management is approximately 30% less than Waste Pro. The price difference between residential service with or without exclusive commercial is negligible; therefore, the Committee concludes that due to the mandatory three-year moratorium, the move to exclusive commercial is premature. Exclusive commercial can be evaluated and instituted outside this RFP.

Waste Management is found to be the Most Responsive/Responsible Proposer since their proposal was the least cost per residential dwelling unit for all categories of service.

Waste Management’s Other Proposal Items

* Waste Management will use three new compressed natural gas (CNG) automated side load vehicles to service the account
* If curbside service is selected by the Commission, residents that would like to continue with alleyway service will be billed separately by the contractor at $35/month for the service
* Waste Management as a Value Added benefit will offer a $5,000 annual scholarship commitment

Waste Pro’s Other Proposal Items

* Waste Pro will use two new compaction automated side load Mack truck, and one new automated Mack truck for recycling
* If curbside service is selected by the Commission, residents that would like to continue with alleyway service will be billed separately by the contractor at $45/month for the service
* Two job fairs in the City with the objective of hiring qualified residents for open positions

Public Services incorporated items to the RFP that will be different from the current contract that will apply to the Proposer. Those items are:

* New recycling toters to replace existing recycling bins
* $12,500 monthly fee paid to the City by the contractor for the purpose of offsetting the costs associated with facilitating the contract, billing and solid waste collection in the City
* Residents requiring additional toters will be billed by the contractor for the services
* The contract contains a true-up clause that will rebate the City if the projected volume of residential MSW is not delivered to the Designated Facility

Type of Service

The Administration requests that the City Commission select the type and level of service. The RFP asked for four types of service to consider pricing for curbside versus alleyway pick-up and the impact of an exclusive commercial franchise to the residential rate:

1. **Primary Proposal** – Residential curbside service that will require all 7,251 residential dwelling units to set their toters and bulk waste on the curb. Currently, 85% of the residential dwelling units have curbside service.
2. **Alternate 1** – Residential service that includes alleyway pick-up for those residents on alleyway (approximately 1,100 dwelling units or 15%). This is the type of service the City currently provides.
3. **Alternate 2** - Residential curbside service and that includes Non-Residential service. The City will offer an exclusive commercial franchise to the contractor in three years.
4. **Alternate 3** – Residential service that includes alleyway service and Non-Residential service. The City will offer an exclusive commercial franchise to the contractor in three years.

Recommendation

The Proposal Committee recommends the City Commission select Waste Management of South Florida as the Most Responsive and Responsible Bidder in all categories.

Attachments: Proposal Committee’s August Recommendation to the City Manager