

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: May 13, 2024

To: The Solid Waste Disposal District Board of Commissioners

Through: John A. Titkanich, Jr., County Administrator
Sean C. Lieske, Director of Utility Services

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Subject: Recommendation for Franchise Award for Solid Waste and Recyclables Collection Services (RFP#2024020)

Descriptions and Conditions:

On April 24, 2024, the Indian River County (IRC) Solid Waste Disposal District (SWDD) held a 2nd Special Call meeting where staff provided the SWDD Board and the public with a summary of the RFP process, the various service options that were considered, a summary of the responses to the RFP, the initial and final ranking by the Selection Committee members and to obtain the SWDD Board's decision related to which of the following four options for the Solid Waste and Recyclables Collection Services Franchise that is to start on October 1, 2025 they wish to pursue.

After the presentation and after obtaining public input, the SWDD Board voted and accepted the final ranking of the Selection Committee as shown below.

Final Selection Review Committee Ranking

Rank	Option 1: Subscription / Customer Can Yard Waste	Option 2: Universal / Customer Can Yard Waste	Option 3: Subscription / Carted Yard Waste	Option 4: Universal / Carted Yard Waste
1	FCC	FCC	FCC	FCC
2	WM	WM	WM	WM
3	CWR	CWR	CWR	REP
4	REP	WP	REP	CWR
5	WP	REP	WP	WP
<i>CWR - Coastal Waste and Recycling of Florida, Inc.</i>			<i>Boca Raton, FL</i>	
<i>FCC - FCC Environmental Services Florida, LLC</i>			<i>West Palm Beach, FL</i>	
<i>REP - Republic Services of Florida, Limited Partnership</i>			<i>Vero Beach, FL</i>	
<i>WM - Waste Management Inc. of Florida</i>			<i>Vero Beach, FL</i>	
<i>WP - Waste Pro of Florida, Inc.</i>			<i>Fort Pierce, FL</i>	

The SWDD Board voted to go with Carted Yard Trash service for improved single family residential properties eliminating Option #1 and Option #2 above. However, after an in-depth discussion, the SWDD Board directed staff to obtain a “Best and Final Offer” from the top two firms of FCC Environmental Services of Florida, Inc. and Waste Management, Inc. of Florida for Option #3 and Option #4.

On May 3, 2024, the IRC Purchasing Division issued a request for a Best and Final Offer (BAFO) from FCC and WM with a due date of Friday, May 10, 2024, at a due time of 12:00 pm (noon). The request stated that the BAFO was an opportunity and not an obligation to submit; however, both FCC and WM were requested to acknowledge the receipt of the BAFO with a response of either a revised price proposal for Option #3 and Option #4 in the form of an electronic version of the excel spreadsheet per Addendum No. 9 representing the BAFO or a statement that the original price proposal was the BAFO. A further requirement of the BAFO request was that the FCC or WM may decrease the price in any or all the line items in the excel spreadsheet; however, they could not increase the individual line items. Both FCC and WM responded with a BAFO.

The purpose of this agenda item is provide the SWDD Board and the public with final pricing and provide a recommendation for award of RFP#2024020.

To avoid any doubt, neither this agenda item, nor this RFP process, has any impact on the Customer Convenience Centers (CCC’s).

ANALYSIS:

Upon receipt of the BAFO, the Purchasing Manager evaluated the BAFO prices in the same manner as the original prices had been scored in the same manner as the pricing submitted in the original RFP. That information and both received BAFO’s were provided to the Negotiations Team on Friday, May 10, 2024, at 2:30 pm for consideration in their review and recommendation to the SWDD Board.

Had the BAFO pricing been submitted in the original proposals, WM would have received the maximum 45 points for both Option #3 and Option #4 and FCC the proportionate of 39 points for Option #3 and 41 points for Option #4, and when combined with the initial technical scores of the Selection Committee members, WM would have been scored in first place, and FCC in second place. After discussions, the Negotiations Team concluded with a unanimous decision to recommend the franchise award to WM.

SWDD staff and our consultant, Kessler Consulting, Inc. (KCI) have further reviewed the BAFO and provide the following summary.

Total Annual Price Comparisons:

Based on the BAFO, the table below compares the total annual price for the top two ranked firms for Option #3 and Option #4:

Option 3 - Subscription / Carted YW						
Services	FCC (Original Price)	FCC (BAFO)	% Change	WM (Original Price)	WM (BAFO)	% Change
Annual Residential	\$17,750,677.01	\$17,750,677.01	0.0%	\$24,460,819.56	\$13,034,779.68	-46.7%

Annual Commercial	\$6,735,590.92	\$6,640,281.64	-1.4%	\$8,069,313.00	\$8,069,313.00	0.0%
Annual Supplemental	\$127,462.76	\$127,462.76	0.0%	\$186,731.76	\$186,731.76	0.0%
Total Annual Comparison	\$24,613,730.69	\$24,518,421.41	-0.4%	\$32,716,864.32	\$21,290,824.44	-34.9%
Total Annual BAFO Reduction	\$95,309.28			\$11,426,039.88		

Option 4 - Universal / Carted YW						
	FCC (Original Price)	FCC (BAFO)	% Change	WM (Original Price)	WM (BAFO)	% Change
Annual Residential	\$15,827,451.00	\$15,514,653.00	-2.0%	\$16,371,433.68	\$12,263,403.48	-25.1%
Annual Commercial	\$6,735,590.92	\$6,640,281.64	-1.4%	\$8,069,313.00	\$8,069,313.00	0.0%
Annual Supplemental	\$127,462.76	\$127,462.76	00%	\$186,731.76	\$186,731.76	0.0%
Total Annual Comparison	\$22,690,504.68	\$22,282,397.40	-1.8%	\$24,627,478.44	\$20,519,448.24	-16.7%
Total Annual BAFO Reduction	\$408,107.28			\$4,108,030.20		

All pricing above is broken down by total Annual Residential, Commercial and Supplemental price. The universal option is less than subscription option by both companies. Comparatively, WM has the lowest overall price for both Subscription Service and Universal Service.

RESIDENTIAL SERVICES BREAKDOWN

When comparing the overall costs for residential services, staff is including recycling collection with garbage, yard waste and bulk waste collection; however, please note that residential recycling collection is already a Universal service that is part of the non-ad valorem assessment portion of the landfill fee on all improved residential properties in Indian River County.

Option 3 - Subscription / Carted YW						
	FCC (Original Price)	FCC (BAFO)	% Change	WM (Original Price)	WM (BAFO)	% Change
Solid Waste	\$9.71	\$9.71	0.0%	\$17.80	\$6.59	-63.0%
Yard Trash	\$6.11	\$6.11	0.0%	\$7.80	\$3.87	-50.4%
Bulk Trash	\$1.70	\$1.70	0.0%	\$6.42	\$3.19	-50.3%
Total Monthly SW Franchise	\$17.52	\$17.52	0.0%	\$32.02	\$13.65	-57.4%
Total Monthly Recycling Franchise	\$7.84	\$7.84	0.0%	\$5.51	\$5.00	-9.3%
Total Franchise Monthly Cost	\$25.36	\$25.36	0.0%	\$37.53	\$18.65	-50.3%
Total Monthly BAFO Reduction	\$0.00			\$18.88		

Option 4 - Universal / Carted YW						
	FCC (Original Price)	FCC (BAFO)	% Change	WM (Original Price)	WM (BAFO)	% Change
Solid Waste	\$8.53	\$8.53	0.0%	\$10.55	\$6.98	-33.8%
Yard Trash	\$5.16	\$5.16	0.0%	\$4.52	\$3.86	-14.6%
Bulk Trash	\$1.68	\$1.68	0.0%	\$4.50	\$3.18	-29.3%

Total Monthly SW Franchise	\$15.37	\$15.37	0.0%	\$19.57	\$14.02	-28.4%
Total Monthly Recycling Franchise	\$7.84	\$7.47	-4.7%	\$5.51	\$4.58	-16.9%
Total Franchise Monthly Cost	\$23.21	\$22.84	-1.6%	\$25.08	\$18.60	-25.8%
Total Monthly BAFO Reduction	\$0.37			\$6.48		

Again, the universal option is less than subscription option by both companies. Comparatively, WM has the lowest overall price for both Subscription Service and Universal Service.

Under Option #3 for Subscription Services and using WM's numbers only for comparison, the current residential solid waste monthly cost for a single-family home of \$11.16 is proposed to increase to \$13.65 or by 22%. Similarly, the universal recycling monthly cost for a single-family home of \$2.06 is proposed to increase to \$5.00 or by 70%. On an annual basis, the subscription customer would pay \$163.80 directly to the franchise hauler and would pay an additional \$60.00 for universal recycling services as part of their non-ad valorem assessment on their tax bill. This is a total annual cost of \$223.80.

Alternatively, under Option #4 for Universal Services and again using WM's numbers only for comparison, the residential solid waste monthly cost for a single-family home of \$11.16 is proposed to increase to \$14.02 or by 26%. Similarly, the universal recycling monthly cost for a single-family home of \$2.06 is proposed to increase to \$4.58 or by 56%. On an annual basis, all residential customers would pay \$168.24 for universal solid waste collection and would pay an additional \$54.96 for universal recycling services as part of their non-ad valorem assessment on their tax bill. This is a total annual cost of \$223.20.

MULTI-FAMILY RESIDENTIAL SERVICES:

After further review and consideration, Staff recommends that multi-family residential services remain as a commercial service to minimize billing to the communities both by the franchise hauler and by SWDD under the Universal Service option.

STAFF INPUT ON POLICY DECISIONS:

Staff is providing the following input on a policy decision that needs to be considered by the SWDD Board.

As mentioned in the past, the current subscription rate is over 70%; however, recycling cart abuse continues to be a major problem in our community followed by illegal dumping. Based on continued recycling cart audits in our community, those residents that live in Universal Service areas, such as the City of Sebastian, the City of Vero Beach, the Town of Indian River Shores and the Town of Orchid have the lowest rate of recycling cart abuse as compared to the Subscription Services areas of Unincorporated IRC and the City of Fellsmere.

The goal is to continue to meet the service needs of our community with high quality service with improved efficiency, higher diversion of waste from our landfill and in turn improve our recycling program while providing the overall lowest costs to our residents.

- 1. Subscription or on Annual Tax Bill** – As the results of the RFP demonstrate, Universal Collection service offers the maximum reduction in costs for current subscribers within the Unincorporated

Indian River County. A Universal Collection service provides routine garbage collection to all improved residential properties, including rental properties, which should help reduce the use of the recycling carts for garbage service. This program also discourages illegal dumping or burning of garbage which is an environmental detriment to our community. *SWDD staff recommends Universal Collection to provide uniform service to all residents of Unincorporated IRC at the lowest cost possible while maximizing environmental benefits to our community.*

FUNDING:

The funding for solid waste and recycling collection is provided through a combination of SWDD assessments and individual subscription customer payments directly to the franchised haulers. This will vary based on the service option selected.

RECOMMENDATIONS:

Upon public input and SWDD Board discussion, SWDD staff recommends the Board consider and approve the following:

1. SWDD staff recommends Universal Collection for Unincorporated Indian River County with multi-family collection remaining as commercial collection services.

Board Decision: *Subscription Service or Universal Collection?*

2. SWDD staff recommends the award of the Solid Waste and Recycling Collection Franchise to Waste Management, Inc. of Florida as the proposer ranked in the top two and that has subsequently submitted the lowest best and final offer for RFP#2024020.
3. Authorize staff to finalize the sample agreement, negotiate as necessary for both legal and technical sufficiency, and to return with a final agreement for SWDD Board approval at a future meeting.

ATTACHMENTS:

1. None (*The Best and Final Offer are available to the public via the IRC Purchasing Division*).