

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

Date: April 8, 2024

To: The Solid Waste Disposal District Board of Commissioners

Through: John A. Titkanich, Jr., County Administrator
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Subject: 2nd Special Call Meeting – RFP#2024020 Solid Waste and Recyclables Collection Services

Descriptions and Conditions:

The Indian River County (IRC) Solid Waste Disposal District (SWDD) is responsible for providing for the collection, transportation, and disposal services for regulated solid waste in Unincorporated Indian River County as well as recycling services throughout Indian River County. Per authority granted by the State of Florida Legislature, the County has granted hauling franchises as far back as 1961. However, the first procurement to solicit collection services was conducted in 2014 with a resulting award to the current franchise collector, Waste Management Inc. of Florida (WM). The initial contract was set to expire September 30, 2022, and, at the sole option of SWDD, the franchise agreement was renewed for an additional term of three years. This agreement is set to expire on September 30, 2025, and provides the following services to the County:

- Exclusive collection service for residential and commercial solid waste in unincorporated areas
- Exclusive collection of residential recyclables within the recycling franchise area
(This includes unincorporated IRC as well as the four municipalities of the City of Sebastian, the City of Fellsmere, the City of Vero Beach, and the Town of Orchid.) [The fifth municipality, the Town of Indian River Shores (IRS), currently utilizes another hauler through September 30, 2025, for recycling collection through an approved Interlocal Agreement (ILA).]
- Non-exclusive commercial collection of recyclables at rates required by the agreement to be less than those of solid waste collection services.

On July 11, 2023, the SWDD Board approved staff's recommendation associated with the drafting and issuance of the Request for Proposals (RFP) documents for procuring the new franchise agreement.

On August 29, 2023, SWDD and the Town of IRS entered an ILA whereby the Town of IRS would directly participate in the RFP process. On October 3, 2023, the SWDD Board approved staff recommendation to update the scoring system of the RFP to be utilized by the selection committee members. On Friday, November 17, 2023, RFP #2024020 was issued, and a non-mandatory pre-proposal meeting was held on

Friday, December 8, 2023. A total of 10 addenda, consisting of responses to 177 questions, were issued. There were 19 planholders and it was broadcast to 634 entities. The IRC Purchasing Division received five (5) proposals prior to the deadline of Wednesday, February 21, 2024, at 2:00 PM.

There was an RFP irregularity that was presented at the March 5, 2024, SWDD Board meeting. One of the proposals appeared to be late as a result of an electronic submission; however, the SWDD Board waived this irregularity as this was due to an error in the County's email system. The SWDD Board also approved staff recommendation to hold a Special Call Meeting to be held on Wednesday, March 20, 2024, at 1:00 pm in the County Commission Chambers at the Indian River County, Administration Building A at 1801 27th Street.

In order to have an active participation of our community, staff issued over 87,000 post cards to our residents the week of March 11, 2024 to make them aware of the first Special Call meeting where the Commissioners were to preliminarily select one of the four available options of providing ongoing garbage, yard waste, and bulk services within the unincorporated areas of Indian River County as well as the Town of IRS and to provide recycling services for all residents of Indian River County.

The first Special Call meeting was held on Wednesday, March 20, 2024, at 1:00 PM with approximately 100 people in attendance. There was a presentation by staff and KCI with input from the SWDD Board and the general public. The SWDD Board did not make any decisions; however, directed staff to host a second Special Call meeting on Wednesday, April 24, 2024, and confirmed on Tuesday, April 9, 2024, to have the meeting scheduled to start at 4:00 PM.

The purpose of this agenda item is to provide 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 four options for the Solid Waste and Recyclables Collection Services Franchise that is to start on October 1, 2025 they wish to pursue. Upon this decision, staff will request the SWDD Board provide authorization to pursue simultaneous negotiations with the top firms for the selected option to obtain a "Best and Final Offer". This process will allow staff (*at a future meeting*) to recommend award of the franchise to the firm that can provide a high level of service for the solid waste and recycling services at the lowest possible cost to our residents while increasing recycling in Indian River County.

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

ANALYSIS:

HISTORICAL PERSPECTIVE:

Historically, Indian River County has grown from a very rural community to an urban developed community. In terms of solid waste services, we have gone from "dump" sites to a modern engineered/permitted landfill. As far back as 1959, we have records that a franchise for solid waste collection was issued in Indian River County where it is estimated that we had a population of approximately 25,000. Per the latest University of Florida Bureau of Economic and Business Research data, the population of Indian River County is 167,781 as of April 1, 2023. This is approximately an 571% increase in 64 years. During this time, we have closed six (6) "dump" sites and replaced five (5) of them

with Customer Convenience Centers (CCC). In terms of future disposal space, it is estimated SWDD currently has capacity at our landfill through 2079 at the current disposal and recycling rate. Specifically, to Unincorporated IRC, the April 1, 2023, population is 114,707 which represents approximately 48,152 single family homes and 9,199 multi-family homes or a total of 57,351 units.

Based on the latest information from the current hauler, the participation rate for subscription service within Unincorporated IRC is over 70%. However, the overall recycling participation rate for the entire county is around 65%. The participation rate is based on actual number of billed customers by the hauler whereas the recycling participation rate is based on the “set-out” rate of those customers putting their recycling carts out for routine collection service.

RFP SERVICE OPTIONS:

The following table summarizes the four residential service options that were included in the RFP:

RFP Bid Options	Garbage	Yard Trash	Bulk Trash	Recycling
Option #1 Current System (Subscription Service)	Once a Week Carted / Automated (96-gal cart)	Once a Week Customer Provided Containers	Once a Week (limited to 4 pieces of Bulk Waste)	Once a Week Single Stream (64-gal cart)
Option #2 (Universal Service)	Once a Week Carted / Automated (96-gal cart)	Once a Week Customer Provided Containers	Once a Week (limited to 4 pieces of Bulk Waste)	Once a Week Single Stream (64-gal cart)
Option #3 (Subscription Service / Carted Yard Trash)	Once a Week Carted / Automated (96-gal cart)	Once a Week Carted/Automated (96-gal cart)	Once a Week (limited to 4 pieces of Bulk Waste)	Once a Week Single Stream (64-gal cart)
Option #4 (Universal Service / Carted Yard Trash)	Once a Week Carted / Automated (96-gal cart)	Once a Week Carted/Automated (96-gal cart)	Once a Week (limited to 4 pieces of Bulk Waste)	Once a Week Single Stream (64-gal cart)

Similarly, proposers were asked to provide pricing for exclusive commercial service for solid waste collection within Unincorporated IRC.

EVALUATION CRITERIA:

The Selection Review Committee was comprised of the Utilities Director, the Budget Director and the SWDD Managing Director, the SWDD Assistant Managing Director and the Assistant Town Manager for the Town of Indian River Shores. The following table provides the RFP evaluation criteria:

Evaluation Criteria	Maximum Evaluation Points
Qualifications and References	25
Technical Proposal	25
Participation Growth Strategy	5
Financial Proposal	45
Total Points Possible	100

Per the RFP, the Selection Review Committee was responsible for reviewing only the first three criteria while the Purchasing Manager and SWDD’s consultant were responsible for reviewing the fourth criteria. Specific details about each criterion is presented below.

QUALIFICATION AND REFERENCES:

This criterion evaluated each proposal in terms of recent company experience, personnel, references, transition experience, non-performance history and overall financial capability to provide the services requested in the RFP. There was a total limit of 25 pages with a maximum of 25 points available for this criterion; however, resumes were not counted towards the 25-page limit.

TECHNICAL PROPOSAL:

This criterion evaluated each proposal in terms of their method of collection, level of automation, and how materials would be handled following collection for each of the four service options. In addition, this criterion requested transition and customer service plan, service verification and asset management system as well as the associated reports, staffing plan and schedule/timeline. Finally, this criterion requested an organization chart and to see if they had any exceptions to the draft franchise agreement that was included in the RFP. There was a total limit of 40 pages with a maximum of 25 points available for this criterion.

PARTICIPATION GROWTH STRATEGY:

This criterion evaluated each proposal on their approach to detail what goals, strategies, and efforts will be utilized to increase waste diversion with residential, multi-family and commercial generators. The objective is to increase recycling as well as to help us increase residential subscription service in the Unincorporated IRC should SWDD selection either Option #1 or Option #2. There was a total limit of 10 pages with a maximum of 5 points available for this criterion.

FINANCIAL PROPOSAL:

The RFP process included the submittal of an Excel spreadsheet that was developed by our consultant, Kessler Consulting Inc. in partnership with SWDD and the Purchasing Manager, to establish a comprehensive and equitable review of proposed pricing for all the service options included in the RFP. The Purchasing Manager utilized the Excel spreadsheet submitted by each RFP respondent to score each financial proposal, per service option, based on the total proposed annual contract cost and a maximum of 45 points available for this criterion.

TOTAL RANKINGS:

Per the RFP, members of the Selection Review Committee independently evaluated and scored each proposal on the technical criteria. Once each member was complete, the Purchasing Manager provided them with the allocated point value for each financial proposal, which the members added to their technical score to develop a total score and ranking, per proposer, per service option. On Friday, March 8, 2024, the Selection Review Committee met to develop an initial ranking for each service option anticipated for consideration.

Initial 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	CWR	WM	CWR	WM
3	WM	CWR	WM	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>		

On March 14, 2024, the Purchasing Manager, on behalf of the Selection Review Committee, issued a series of clarification questions to the five proposers based on their RFP proposal responses with a deadline for response by 5 pm on Thursday, March 21, 2024. The responses to the questions were forwarded to the individual Selection Review Committee members. On Monday, April 1, 2024, the Selection Review Committee members reconvened to first, disclose any change to their initial ranking, based on the responses to clarification questions received, then to discuss those responses, as well as the technical information provided by each proposer and consolidated into a summary matrix by the RFP consultant. The meeting was concluded as the Selection Review Committee established a final ranking for each of the four service options.

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

Overall, FCC and WM are the two top ranked proposers for all service options scored for RFP#2024020.

RFP SERVICE OPTIONS:

The various service options under consideration have an overall goal of continuing to move Indian River County forward in an environmentally and economically sound manner while providing a high-level service for our residents.

The following discussion focuses on the key decisions to be made by the Board.

Universal Recycling:

For all four service options, the once per week recycling service is considered Universal Recycling service and is provided to all residents of Indian River County. The fees are collected by SWDD through a portion

of the non-ad valorem assessment on all improved residential (single family, mobile home, or multi-family) properties. The fees are paid to the franchisee on a monthly basis based on a monthly correction for new homes with a certificate of occupancy added and those with a certificate of demolition removed.

Service Option #1:

RESIDENTIAL SINGLE FAMILY: maintains the current level of service for single family homes with once per week garbage collection, once per week yard waste collection (in customer provided cans); and an enhanced weekly bulk pick-up service limited to four (4) items per household by providing subscription service option to those residents that wish to receive this service. Services are paid on a direct billing between the customer and the franchisee.

RESIDENTIAL MULTI-FAMILY: maintains Commercial Container services for garbage collection on a per cubic yard basis; however, adds weekly bulk pick-up service limited to four (4) items per unit. The fees are paid based on a direct billing between the customer and the franchisee.

COMMERCIAL CUSTOMERS: maintains Commercial Container services for garbage collection to all commercial businesses on a per cubic yard basis. The fees are paid based on a direct billing between the customer and the franchisee.

Service Option #2:

RESIDENTIAL SINGLE FAMILY: This is the same as Option #1 in terms of the level of services; however, all single-family improved properties of Unincorporated IRC would be “opted-in” and would automatically receive service. The cost for this service would be included as part of their non-ad valorem assessment fee in their tax bill (3 months only for 2025 tax bill and full 12 months for 2026 tax bill). Many cities and counties throughout Florida have universal collection including the City of Vero Beach, the City of Sebastian, the Town of Indian River Shores, the Town of Orchid as well as Unincorporated Brevard and Unincorporated St. Lucie County.

This option factors in the growing population within Unincorporated IRC that is already subscribing for service which is estimated currently around 70%. This option allows “economies of scale” to the franchisee in providing a larger amount of customers, eliminates their direct billing costs and bad debt, improves their efficiency whereby they can provide a lower cost than the subscription Option #1.

RESIDENTIAL MULTI-FAMILY: As in Option #1, the garbage collection would continue to use Commercial Container services and weekly bulk pick-up service would be limited to four (4) items per unit. However, the cost for this service would be included as part of their non-ad valorem assessment fee in their tax bill (3 months only for 2025 tax bill and full 12 months for 2026 tax bill).

COMMERCIAL CUSTOMERS: No Changes to type of service or billing, i.e., same as Option #1.

Service Option #3:

RESIDENTIAL SINGLE FAMILY: This is the same as Option #1 in terms of the level of services and the subscription-based billing; however, all subscription single-family customers would receive a yard

waste cart for all their leaves, clippings, palm fronds.

RESIDENTIAL MULTI-FAMILY: No Changes to type of service or billing, i.e., same as Option #1.

COMMERCIAL CUSTOMERS: No Changes to type of service or billing, i.e., same as Option #1.

Service Option #4:

RESIDENTIAL SINGLE FAMILY: This is the same as Option #2 in terms of the level of services and the Universal Solid Waste Assessment based billing; however, all residential single-family customers would receive a yard waste cart for all their leaves, clippings, palm fronds.

RESIDENTIAL MULTI-FAMILY: No Changes to type of service or billing, i.e., same as Option #2.

COMMERCIAL CUSTOMERS: No Changes to type of service or billing, i.e., same as Option #2.

Supplemental Services:

In conjunction with the various service options discussed above, the RFP included supplemental services for both residential and commercial customers to allow them the opportunity to obtain additional services that they may need at a price that is included in the proposal.

RESIDENTIAL SINGLE FAMILY:

1. Cart Exchanges – 1 free exchange per residential customer per contract is included; however, any additional cart exchanges would be at a cost that is included in the proposal.
2. Additional Carts – if a customer wants an additional solid waste cart (or yard waste cart if Option # 3 or Option #4 is selected), then the cost for the cart and the delivery is included in the proposal. There is a limit of a total of 4 solid waste (or yard waste) carts per customer and to further discourage too many carts, there is an additional cost for collection for each of these extra carts. However, to encourage recycling, there is no cost for the cart or delivery for additional recycling carts.
3. Cart Cleaning – for those customers that would like to have their carts cleaned, a cost for cart cleaning is provided in the proposal for the hauler.
4. Excessive Yard Trash or Bulk Trash – depending on the service option selected by the Board, cost is included in the proposal to provide for the collection of excessive yard trash or bulk trash.
5. Improperly prepared Solid Waste or Yard Trash – in the event that a customer improperly places solid waste or yard trash, then the hauler is able to recover this material at a cost directly between the customer and the hauler.

RESIDENTIAL MULTI-FAMILY OR COMMERCIAL:

1. Roll-Out Containers and returning them to original locations – most multi-family and commercial locations should have standard corrals for removal of their solid waste; however, in cases where there is a specialty service needed, a cost is included in the proposal for the hauler to provide this service.
2. Opening and Closing Doors or Gates – A cost is included in the proposal for the hauler to provide this extra service.
3. Specialty locks for containers – a one time fee is included for the hauler to provide gravity locks or equivalent.
4. Unlocking and Locking non-specialty locks – If a customer elects to use their own locking mechanism, then a cost is provided to accommodate this service.
5. Moving Customer Owned Containers – In some cases, customers request to provide their own containers and request to move these containers. If so, then cost is included in the proposal to provide this specialty service.

Government Recycling:

Currently, there is a separate agreement for the hauler to provide recycling collection services to various governmental facilities throughout Indian River County. These services have now been included in this RFP. The overall goal is to lead by example in providing recycling at all county facilities at the best cost possible.

Total Annual Price Comparisons:

Based on the final ranking of the Selection Review Committee, the table below compares the total annual price for the top two ranked firms for each of the four service options:

Option 1 - Subscription		
	FCC - A	WM - B
Annual Residential	\$ 17,032,448.21	\$ 24,754,096.32
Annual Commercial	\$ 6,735,590.92	\$ 8,069,313.00
Annual Supplemental Services	\$ 127,462.76	\$ 186,731.76
Total Annual	\$ 23,895,501.89	\$ 33,010,141.08
Option 2 - Universal		
	FCC - A	WM - B
Annual Residential	\$ 15,378,558.00	\$ 16,604,858.04
Annual Commercial	\$ 6,735,590.92	\$ 8,069,313.00
Annual Supplemental Services	\$ 127,462.76	\$ 186,731.76
Total Annual	\$ 22,241,611.68	\$ 24,860,902.80
Option 3 - Subscription / Carted YW		
	FCC - A	WM - B
Annual Residential	\$ 17,750,677.01	\$ 24,460,819.56
Annual Commercial	\$ 6,735,590.92	\$ 8,069,313.00
Annual Supplemental Services	\$ 127,462.76	\$ 186,731.76
Total Annual	\$ 24,613,730.69	\$ 32,716,864.32
Option 4 - Universal / Carted YW		
	FCC - A	WM - B
Annual Residential	\$ 15,827,451.00	\$ 16,371,433.68
Annual Commercial	\$ 6,735,590.92	\$ 8,069,313.00
Annual Supplemental Services	\$ 127,462.76	\$ 186,731.76
Total Annual	\$ 22,690,504.68	\$ 24,627,478.44

All pricing above is broken down by total Annual Residential, Commercial and Supplemental price. All universal options are less than subscription options. Option #2 is the lowest overall price for both top ranked vendors.

Note: These are not final prices. SWDD looks forward to bringing negotiated prices in the selected Option back to the Board for consideration. These final prices will include the breakdown of price per household, as well as multi-family and commercial rates.

STAFF INPUT ON POLICY DECISIONS:

Staff is providing the following input on policy decisions that need to be considered by the SWDD Board. 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. Customer Cans or Carted Yard Waste Collection** – This is an independent decision regardless of subscription or universal service. From the perspective of the resident, it provides a more efficient service where it eliminates their need to purchase yard waste cans. The industry trend is toward carted yard waste collection as it reduces worker injuries and allows for automation of

service. Customers with additional yard waste can purchase an extra cart and they can also utilize the claw truck for excessive yard waste. *SWDD staff recommends carted yard waste service as a more safe and efficient means of collecting routine yard waste in our community while providing an equitable cost to all yard waste customers and a higher cost to those customers requiring excessive yard trash services.*

2. **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 options selected.

RECOMMENDATIONS:

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

1. Accept the final ranking of firms, as developed by the Selection Review Committee.
2. SWDD staff recommends Carted Yard Waste Services for Unincorporated Indian River County.

Board Decision 1: *Customer provided yard waste cans or Carted Yard Waste Services?*

3. SWDD staff recommends Universal Collection for Unincorporated Indian River County.

Board Decision 2: *Subscription Service or Universal Collection?*

4. Authorization to the Negotiations Team to pursue simultaneous negotiations with the top two firms of FCC Environmental Services of Florida, Inc. and Waste Management, Inc. of Florida to obtain their “Best and Final Offer” for that option.
5. Authorize negotiations with subsequently ranked firms, should negotiations with one or more of the two top ranked firms fail.

Based on the final negotiations, staff will bring a recommendation of award and a final Franchise Agreement to the Board for execution at a future meeting.

ATTACHMENTS:

1. Final Ranking of the Selection Review Committee