

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

Date: June 28, 2023

To: The Solid Waste Disposal District Board of Commissioners

Through: John A. Titkanich, Jr., County Administrator
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Subject: Update on Franchise Collection Procurement Process

Descriptions and Conditions:

The Solid Waste Disposal District (SWDD) is responsible for providing for the collection, transport and disposal services for regulated solid waste in unincorporated Indian River County (IRC), as well as recycling services throughout IRC. 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 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, City of Sebastian, City of Fellsmere, City of Vero Beach, and the Town of Orchid.)
- Non-exclusive commercial collection of recyclables at rates required by the agreement to be less than those of solid waste collection services.

On November 15, 2022, the IRC SWDD Board waived the requirement for bids and approved an agreement with Kessler Consulting, Inc. (KCI) to provide procurement assistance to IRC for soliciting a new franchise agreement. KCI previously assisted SWDD staff in securing the current agreement with WM and, since November, has supported SWDD staff in developing technical specifications for consideration in the future solicitation package.

Analysis:

The following summary highlights the primary technical elements under consideration.

PROCUREMENT TOOL:

SWDD staff anticipate utilizing a Request for Proposals (RFP) process for procuring the new franchise agreement. This tool, utilized in the 2014-2015 franchise collection procurement process, allows for a comprehensive evaluation of qualifications, service approach, and experience in conjunction with pricing.

FRANCHISE AREAS:

There is currently one solid waste franchise area serving the unincorporated County, as well as one recycling franchise area that is countywide. The future RFP will maintain these current service areas.

MUNICIPALITIES:

During 2023, SWDD and KCI staff consulted with the Purchasing Division, County Attorney Office (CAO), and IRC municipalities regarding their involvement in the franchise collection procurement process. Due to the complexity of different collection programs between municipalities, it was determined that the best course of action for municipal participation is through an optional piggyback clause that will allow any municipal government to utilize contractual terms and rates established under the awarded franchise agreement. This will be similar to the current piggyback clause and method for municipal participation. However, certain municipalities have continued to express a desire to actively participate in the County's RFP.

SUBSCRIPTION AND UNIVERSAL SERVICE OPTIONS:

Currently, residential solid waste collection services operate under a subscription system with over 75% of residents participating. As the County considers program objectives under the new agreement, it may prove advantageous to solicit for universal service to obtain the best pricing and potentially increase the number of respondents. Unlike the previous RFP that evaluated universal service within the Urban Service Area (USA) and subscription for outside the USA, SWDD staff is recommending universal for all areas of unincorporated IRC.

RESIDENTIAL SERVICE OPTIONS:

The following table summarizes the two residential service options being considered for the RFP:

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

RFP Bid Options	Garbage	Recycling	Yard Trash
Option #3 (Subscription Service)	Once a Week Carted / Automated (96-gal cart)	Once a Week Single Stream (64-gal cart)	Once a Week Carted/Automated (96-gal cart)
Option #4 (Universal Service)	Once a Week Carted / Automated (96-gal cart)	Once a Week Single Stream (64-gal cart)	Once a Week Carted/Automated (96-gal cart)

Note: Option #3 and #4 will include pricing for bulk yard waste when a customer's weekly quantity exceeds what will fit into a 96-gallon cart.

CARTS:

As it applies to the service options above, the RFP will be structured to obtain pricing based on SWDD purchasing the carts with franchise collector to provide ongoing new customer carts, maintenance, and replacement. This will allow for better pricing and enhanced transparency in RFP price proposals. For the solid waste automated collection, the requirement is to provide a 96-gallon cart, with a 64-gallon or 35-gallon cart available upon request. For the recycling collection, the requirement is to provide a 64-gallon cart, with a 96-gallon or 35-gallon cart available upon request.

COMMERCIAL SERVICE:

Currently, WM provides exclusive solid waste commercial collection service in the unincorporated area. Commercial recycling collection service is provided upon customer request under an open market system. Per agreement terms, the rate for recyclables collection must remain less than that of solid waste to improve landfill diversion rates and support IRC's recycling program. It is anticipated the new RFP will solicit these current services.

IRC GOVERNMENT FACILITIES:

Additionally, IRC currently contracts separately for the collection of solid waste and recyclables from its government buildings. To increase programmatic efficiencies and obtain the best pricing, SWDD staff seek to solicit these services into the future RFP to determine if pricing would be more competitive if provided under the franchise agreement.

TERM:

Under the new RFP, SWDD staff propose an initial term of five years commencing October 1, 2025. After the initial five-year term, there would be a three-year renewal at the sole option of IRC, followed by a two-year mutual option.

LIQUIDATED DAMAGES:

Currently, the franchise agreement includes liquidated damages related to performance standard violations. The new RFP solicitation package will include a sample agreement that will build upon current liquidated damages to address SWDD staff concerns and reoccurring customer complaints.

EVALUATION CRITERIA:

It is anticipated selection committee members will utilize the following evaluation criteria and scoring system:

Evaluation Criteria	Maximum Evaluation Points
Qualifications and References	15
Technical Proposal	15
Participation Growth Strategy	5
Financial Proposal	65
Total Points Possible	100

RFP TIMELINE:

Upon approval to begin drafting solicitation documents based on technical specifications provided in this memorandum, KCI staff, in coordination with SWDD staff, will prepare the solicitation package and submit for review by the Purchasing Department and CAO. SWDD staff plan to issue the solicitation in late October with a proposal deadline in January 2024 and final recommendation of award of the contract in summer of 2024. This timeline will allow for a fourteen (14) month transition period between service providers before the new franchisee commences service on October 1, 2025.

CONE OF SILENCE:

As in the past, to make this an open, fair, and transparent process, staff and the SWDD Board are subject to the Cone of Silence provision, which will go in effect once the RFP is issued. This means that potential vendors must only contact the Purchasing Division if they have any comments or questions about the RFP.

Funding:

This agenda provides a framework for a future solicitation and is not requesting any funding.

Recommendation:

Solid Waste Disposal District staff recommends the Board approve the drafting and issue of the solicitation documents based upon the options and programmatic details provided herein.