



Legislation Details (With Text)

File #: R-2019-240 **Version:** 1 **Name:** Waste Pro Best Interest Award
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Title: A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Execute An Agreement With Waste Pro Of Florida, Inc. For Solid Waste Collection, Recyclables Collection, Yard Waste/Bulk Waste Collection And Yard Waste/Bulk Waste Disposal For An Estimated Annual Amount Of \$9,410,955.00; Declaring That It Is In The Best Interest Of The City To Waive Competitive Bidding Pursuant To Section 38.40(C)(8) Of The Purchasing Ordinance.

Sponsors:

Indexes:

Code sections:

Attachments: 1. RESO Best Interest Solid Waste Bid rev.pdf, 2. Exhibit A - Best Interest Solid Waste Bid rev.pdf, 3. Exhibit B - Best Interest Solid Waste Bid rev.pdf, 4. TermSheet-WastePro2019BESTINTEREST.pdf, 5. BIS 19-274.pdf

Date	Ver.	Action By	Action	Result
8/28/2019	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Execute An Agreement With Waste Pro Of Florida, Inc. For Solid Waste Collection, Recyclables Collection, Yard Waste/Bulk Waste Collection And Yard Waste/Bulk Waste Disposal For An Estimated Annual Amount Of \$9,410,955.00; Declaring That It Is In The Best Interest Of The City To Waive Competitive Bidding Pursuant To Section 38.40(C)(8) Of The Purchasing Ordinance.

Staff Recommends: The Approval of the Attached Resolution.

Explanation:

The Department of Public Works, Environmental Services Division requires an agreement with a qualified contractor to provide solid waste collection, recyclables collection, yard waste/bulk waste collection and yard waste/bulk waste disposal for approximately 34,659 residences, Citywide. The Environmental Services Division requested the Office of Procurement Services to solicit bids for solid waste collection, recyclables collection, yard waste/bulk waste collection and yard waste/bulk waste disposal that included six different collection options with separate pricing for each option.

Bid F-4609-19-PB for Residential Solid Waste Collections and Commingled/Bulk/Yard Waste

Collection/Processing and Disposal was advertised on Bidsync February 21, 2019, and closed on April 15, 2019, in accordance with Section 38.42 (A)(1) of the City's Purchasing Ordinance.

On March 7, 2019, a pre-bid conference was held at the Public Works Facility with several solid waste companies in attendance. Questions were asked and answers were provided to all prospective bidders during this pre-bid conference. Due to the City being approximately 60% alley collection, prospective bidders inquired regarding the ability to provide curbside garbage collection service. It was explained that the City was not interested in eliminating alley collection service at this time. Concerns were expressed about the additional equipment needed to provide this service. Additionally, prospective bidders expressed concerns about providing the City with emergency debris assistance at no additional costs. It was explained that bidders were expected to make their trucks available to resume commingled collections as soon as it was deemed safe.

On April 15, 2019, Bid F-4609-19-PB was opened and resulted in only one bid for all collection options and yard waste/bulk waste/ commingled waste processing from Waste Pro of Florida, and a bid from Coastal Waste and Recycling of Broward County, LLC. for yard waste/bulk waste/ commingled waste processing and disposal only.

Two no-bids were submitted, by Republic Services of Florida and Waste Management; bids were thoroughly reviewed by Procurement Services, Public Works, and Kessler Consulting, and both Waste Pro of Florida and Coastal Waste & Recycling were found to be Responsive and Responsible.

On June 19, 2019, a Special Commission Meeting was held and the Director of Public Works and the Director of the Office of Procurement Services and Contract Compliance recommended the award of the contract to the lowest responsive, responsible bidder for Option 2A, Waste Pro of Florida for an estimated annual amount of \$11,548,722.04, and the City Commission passed and adopted Resolution R-2019-166 approving the award to Waste Pro of Florida.

At the time of approving Resolution No. R-2019-166, the City Commission provided direction for staff to negotiate with Waste Pro for a better price for the services bid.

As result of the negotiations with Waste Pro, on August 28, 2019, the City Commission passed and adopted Resolution No. R 2019- _____, which cancelled the bid award pursuant to Resolution No. R-2019-166.

With the cancellation of Resolution No. R-2019-166, the City currently has an existing agreement with Waste Pro that will expire on September 30, 2019. Should the City elect to re-compete for these services, an extension of these services would be necessary as it would take a reasonable amount of time to re-advertise and award and there is a high probability of a higher price during the extension period with an unknown outcome of obtaining a practical price. Current pricing provided for the services offered is fair and reasonable in comparison

with surrounding municipalities.

Current service provided by Waste Pro remains at a satisfactory level and they have continued to be very responsive to complaints and requests for service. The alley collection service in the City is very difficult and Waste Pro has managed to navigate this terrain with minimal service disruption. Complaints are inherent in this solid waste industry. Waste Pro provides 7,209,072 annual collections in the City of Hollywood and have a less than 1% complaint record.

Based upon the negotiations with Waste Pro, the Department of Public Works and the Director of Procurement Services recommend the execution of an agreement with Waste Pro of Florida for the services outlined in the attached Exhibit "A", along with the terms set forth in the attached Exhibit "B" which include twice weekly solid waste collection, one time weekly recyclables & yard waste collection and monthly bulk waste collection and yard waste and bulk waste disposal for an estimated annual amount of \$9,410,995.00, a first year reduction of \$2,137,767.04. In these negotiations, there have been concessions made by the City and Waste Pro. These concessions produce a savings to the residents of Hollywood of approximately \$10.9M over the ten year term of this agreement.

This contract provides for minimal transition as Waste Pro is very familiar with this City and will provide our City with 27 new collection vehicles; however, this will be implemented over a span of four years with the smaller vehicles specific to alley service being brought in by June of 2020. Under the terms of this Agreement, Waste Pro will make an annual payment of \$110,000.00 to the City, which includes \$100,000.00 for an existing full-time Sanitation Code Officer and \$10,000.00 toward the funding of a Part-Time Recycling Coordinator. This contract calls for Waste Pro to implement an incentive recycling program and Waste Pro has identified to continue to fund the existing program with Recycling Perks which would eliminate any need residents to transition to a new program.

There are still contractual improvements under the terms of this Agreement. Fines have been restructured and increased, customer service specifications have been outlined and improved with additional contractor staff allocated to the City. Collection trucks will be equipped with GPS trackable reports and will have DriveCam video available upon request. Illegal dumps will be picked up at no additional cost to the City by Waste Pro. Waste Pro has been a partner to the City in recent disaster events, including hurricanes, and will dedicate two Route Supervisors solely to Hollywood.

Staff is recommending that the Mayor and the City Commission award this best-interest contract to Waste Pro for the services outlined in the attached Exhibit "A", along with the terms set forth in the attached Exhibit "B". The term of the Solid Waste Collection and Bulk/Yard Waste Processing Agreement is for an initial ten year period, beginning October 1, 2019, expiring September 30, 2029, with the option to renew for one additional three year period subject to vendor acceptance, satisfactory performance of the vendor and

determination that the renewal will be in the best interest of the City.

Under this Agreement, residents shall receive twice weekly garbage collection, once weekly recycling collection, one weekly yard waste collection (with a 4 cubic yard limit) and once monthly bulky waste collection (with a six cubic yard limit). Separation of bulk waste from yard waste will rid the City of unsightly bulk waste material placed curbside and in the alley every week and allow for Sanitation Code Officers to efficiently clear areas, leading to a cleaner City.

The new rate would be \$38.00/month (\$4.00/month less than the previous awarded contract). The current solid waste rate paid by residents is \$31.00/month. This is an increase of \$7.00/month. The rate increase is significant; however, the residents have not experienced a solid waste rate increase since 2008. Actually, in 2011 the rates were lowered by \$1.00.

Meanwhile, solid waste program costs have increased over the past eight plus years, costs have increased for solid waste collection, disposal, commingled disposal and recyclables processing. The City has experienced a substantial loss of revenue due to the downturn of the recycling markets and now has to budget for new recycling processing costs. Employee staffing costs, benefit costs, equipment costs, fuel costs, including increases in salaries, pension obligations, liability, insurance costs, etc., have all increased. From 2009 to 2019, there has been a 24% increase in the All Urban Consumers, Consumer Price Index. During this same time span, the City has endured financial urgency. Cost increases, although appropriate, were not implemented as taxpayers in the City had experienced tax increases as a result of financial urgency.

Additionally, the dissolution of the Resource Recovery Board resulted in \$2,719,299.00 that was utilized for beach cleaning and litter removal equipment, alley paving, fuel island improvements, and delaying necessary rate increases. Therefore, the solid waste rate increase may be significant, but are necessary in order to provide the required solid waste services.

Section 38.40(C)(8) of the Code of Ordinances exempts from competitive bidding and competitive proposals purchases of and contracts for supplies or contractual services, when the City Commission declares, by a five-sevenths (5/7ths) affirmative vote, that competitive bidding and competitive proposals are not in the best interest of the City.

The term of this agreement is for an initial ten year period with the option to renew for one additional three year period subject to vendor acceptance, satisfactory performance of the vendor and determination that the renewal will be in the best interest of the City.

Funding for this service will be provided in the FY 2020 budget in the Department of Public Works Environmental Services Administration Account Number 445.520101.53400.531170.000000.000.000 - Contractual Services Account, and will be

budgeted in subsequent fiscal years.

Recommended for inclusion on the agenda by:

Charles Lassiter, Assistant Director of Department of Public Works

Peter Bieniek, Director of Department of Public Works

Paul Bassar, Director, Procurement & Contract Compliance

George R. Keller, Jr., CPPT, Assistant City Manager, Public Safety