

**Condensed Title:**

A Resolution Of The City Of Miami Beach, Florida Approving The Renewal Of The Franchise Service Agreements Between The City And The Four (4) Current Franchise Waste Contractors: 1) Waste Management Of Dade County North, 2) Republic Services Of Florida, 3) Waste Services, Inc., And 4) Davis Sanitation, Inc.; Said Renewal(S) Having An Initial Term Of Three (3) Years, Commencing Retroactively On October 1, 2008, And Ending On September 30, 2011, Provided Further That The Aforestated Renewal(S) Are Subject To And Contingent Upon The Successful Negotiation And Execution Of A Separate Agreement Between The City And The Individual Franchisees For The Provision Of Additional Public Waste Collection And Disposal And Recycling Services; And Further Authorizing The City Manager To Execute The Service Agreements Upon Conclusion Of Negotiation To The Individual Franchisees.

**Key Intended Outcome Supported:**

Improve cleanliness of Miami Beach Right-of-Ways especially in business areas.

**Supporting Data (Surveys, Environmental Scan, etc.):**

The 2007 Miami Beach Community survey shows the following improvements compared to the 2005 survey in cleanliness of streets in business/ commercial areas, residential neighborhoods and canals/ waterways:

- 9% improvement in rating of street cleanliness in neighborhoods by Mid Beach and Condo Corridor residents respectively,
- 10% improvement in street cleanliness in business/ commercial areas by Mid Beach residents,
- 8% and 6% improvement in street cleanliness in business/ commercial areas by South and Mid Beach, and
- 17% improvements in Mid Beach resident rating of canals/ waterways as excellent or good.

**Issue:**

Shall the Mayor and City Commission approve the Resolution?

**Item Summary/Recommendation:**

The City Code currently makes provisions for five solid waste contractors to serve as Franchisees of the City of Miami Beach in the provision of solid waste services to commercial properties.

In 1998, The City Commission approved renewal agreements with four Franchisees to provide solid waste services to the City in exchange for not issuing a fifth license to fill a vacancy that had occurred. The agreements have continued through renewals with the four Franchisees in 2003 and are due to expire on September 30, 2008.

At the August 21, 2008 meeting of the Finance and City Wide Projects Committee, the question of renewing the four franchise licenses in exchange for the provision of added services, while leaving vacant the fifth license, was discussed. The Committee discussed the levels of competition desired within this service sector and possible benefits to the community. The Committee voted to recommend to the full City Commission that the Administration negotiate with the current four Franchise license holders to determine what additional services might be negotiated as a result of their license renewals. The Committee also recommended that a RFQ be issued to solicit interested contractors in filling the vacant fifth license. The RFQ has been issued and responses are due November 2, 2008.

The City Administration recommends approval of a three year extension of the franchise service agreement with the current four franchise waste contractors in exchange for additional in-kind services valued at \$896,620. The \$896,620 in savings will be reallocated to provide additional services and/ or to reduce positions and equipment in the Sanitation Division as soon as the extension of the service agreements are executed.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF THE RESOLUTION.**

**Advisory Board Recommendation:**

N/A

**Financial Information:**

Source of Funds:	Amount	Account
1		
2		
3		
OBPI	Total	

**Financial Impact Summary:**

**City Clerk's Office Legislative Tracking:**

Al Zamora, Sanitation Director, ext 3541

**Sign-Offs:**

<b>Department Director</b> FHB	<b>Assistant City Manager</b> 	<b>City Manager</b> JMG 
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AGENDA ITEM R7C  
DATE 10-7-08





# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

## COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: October 7, 2008

SUBJECT: **A RESOLUTION OF THE CITY OF MIAMI BEACH, FLORIDA APPROVING THE RENEWAL OF THE FRANCHISE SERVICE AGREEMENTS BETWEEN THE CITY AND THE FOUR (4) CURRENT FRANCHISE WASTE CONTRACTORS: 1) WASTE MANAGEMENT OF DADE COUNTY NORTH, 2) REPUBLIC SERVICES OF FLORIDA, 3) WASTE SERVICES, INC., AND 4) DAVIS SANITATION, INC.; SAID RENEWAL(S) HAVING AN INITIAL TERM OF THREE (3) YEARS, COMMENCING RETROACTIVELY ON OCTOBER 1, 2008, AND ENDING ON SEPTEMBER 30, 2011, PROVIDED FURTHER THAT THE AFORESTATED RENEWAL(S) ARE SUBJECT TO AND CONTINGENT UPON THE SUCCESSFUL NEGOTIATION AND EXECUTION OF A SEPARATE AGREEMENT BETWEEN THE CITY AND THE INDIVIDUAL FRANCHISEES FOR THE PROVISION OF ADDITIONAL PUBLIC WASTE COLLECTION AND DISPOSAL AND RECYCLING SERVICES; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE THE SERVICE AGREEMENTS UPON CONCLUSION OF NEGOTIATION TO THE INDIVIDUAL FRANCHISEES.**

### ADMINISTRATION RECOMMENDATION

Approve the Resolution.

### BACKGROUND

The City Code currently makes provisions for 5 solid waste contractors to serve as Franchisees of the City of Miami Beach in the provision of solid waste services to commercial properties.

In 1998, the City Commission approved renewal agreements with four Franchisees to provide solid waste services to the City in exchange for not issuing a fifth license to fill a vacancy that had occurred. These agreements have continued through renewals with the four Franchisees in 2003 and are due to expire on September 30, 2008.

At the August 21, 2008 meeting of the Finance and City Wide Projects Committee, the question of renewing the four franchise licenses in exchange for the provision of added services, while leaving vacant the fifth license, was discussed. The Committee discussed the levels of competition desired within this service sector and possible benefits to the community. The Committee voted to recommend to the full City Commission that the Administration negotiate with the current four Franchise license holders to determine what additional services might be negotiated as a result of their license renewals the Committee also recommended that a request for qualifications (RFQ) be issued to solicit interested contractors in filing the vacant fifth license. It was the consensus of the Committee that if the current franchisees agreed to the provision of added services at no cost to the

City, that the licenses would be recommended for renewal and that if a fifth contractor were to be selected by the City Commission, that new license holder would assume a proportionate share of the responsibility to provide the free services to the City.

At the September 8, 2008, City Commission Budget hearing, the Commission approved a Resolution authorizing the Administration to issue an RFQ for a fifth franchise waste contractor and approved a month to month extension of the franchise agreement with the four current franchise waste contractors.

The Administration has completed its negotiations for additional in-kind services with the current four franchise holders. Currently the four franchisees provide in-kind services such as: collection and disposal of solid waste from all City facilities, recycling services at seven City facilities, and support of the first weekend of the month collection and disposal of bulky waste at 75<sup>th</sup> Street and Dickens Avenue and 6<sup>th</sup> Street and Meridian Avenue. The value of current in-kind services is in the amount of \$462,462.

The City has negotiated the following additional in-kind services totaling a value of \$896,620:

1. Disposal of litter collected by City crews in the Entertainment District (Lincoln Road, Washington Avenue, Collins Avenue, Ocean Drive, Beach walk, and Boardwalk). This service will be provided seven days a week. Total estimated savings of \$78,120.
2. Pick-up and disposal of all litter cans throughout the City except for litter cans located in the Entertainment District. This service will be provided seven days a week. Total estimated savings of \$775,000.
3. Expand recycling services to 17 additional City facilities. Franchisees to provide recycling containers and collect recycled material once a week. Total estimated savings of \$15,000.
4. Pick-up and disposal of recycled material in the public right-of-way and parks. Service will be provided two times per week. Total estimated savings of \$25,000.
5. Additional support for special events by providing 50 20-yard roll-off containers per year. Total estimated savings of \$10,000.
6. Additional support for special events by providing a discounted price on 30 port-o-lets per year. Total estimated savings of \$3,500.
7. Partnering with the City on a recycling education program. Total estimated savings of \$15,000.

The total value of the current in-kind services provided by the four franchisees plus the newly negotiated additional in-kind services total \$1,359,082. The additional \$896,620 in savings to the City will be reallocated to provide additional services and/ or to reduce positions and equipment in the Sanitation Division as soon as the three year extension of the franchise agreements are executed.

It should be noted that once the fifth franchisee is selected and approved by the City Commission, the new franchisee will provide its fair share of in-kind services. In addition, the fifth franchisee RFQ allows the potential franchisees to offer in-kind services over and above the in-kind services provided by the other four franchisees.

## **CONCLUSION**

The Administration recommends approving the renewal of the franchise service agreements between the City and the four current franchise waste contractors.

JMG\RCM\FHB

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RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY OF MIAMI BEACH, FLORIDA APPROVING THE RENEWAL OF THE FRANCHISE SERVICE AGREEMENTS BETWEEN THE CITY AND THE FOUR (4) CURRENT FRANCHISE WASTE CONTRACTORS: 1) WASTE MANAGEMENT OF DADE COUNTY NORTH, 2) REPUBLIC SERVICES OF FLORIDA, 3) WASTE SERVICES, INC., AND 4) DAVIS SANITATION, INC.; SAID RENEWAL(S) HAVING AN INITIAL TERM OF THREE (3) YEARS, COMMENCING RETROACTIVELY ON OCTOBER 1, 2008, AND ENDING ON SEPTEMBER 30, 2011; PROVIDED FURTHER THAT THE AFORESTATED RENEWAL(S) ARE SUBJECT TO AND CONTINGENT UPON THE SUCCESSFUL NEGOTIATION AND EXECUTION OF A SEPARATE AGREEMENT BETWEEN THE CITY AND THE INDIVIDUAL FRANCHISEES FOR THE PROVISION OF ADDITIONAL PUBLIC WASTE COLLECTION AND DISPOSAL AND RECYCLING SERVICES; AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE THE SERVICE AGREEMENTS UPON CONCLUSION OF NEGOTIATIONS WITH THE INDIVIDUAL FRANCHISEES.**

**WHEREAS**, Section 90-239 of the City Code provides that the City may issue up to five (5) franchises to waste contractors for residential and commercial waste collection and disposal; and

**WHEREAS**, the City currently licenses four (4) franchisees, and the renewal term for these four (4) franchise agreements will expire on September 30, 2008; and

**WHEREAS**, at the September 8, 2008, City Commission Meeting, the Mayor and City Commission approved Resolution No. 2008-26867, which authorized the Administration to issue a Request for Qualifications (RFQ) for a fifth franchise waste contractor, and also approved a month to month extension of the current four (4) franchise agreements, pending the final outcome of the RFQ process; and

**WHEREAS**, additionally, the four (4) current franchise waste contractors, under separate agreements with the City, also provide additional public waste collection and disposal and recycling services to the City including: collection and disposal of solid waste from all City facilities; recycling services at seven (7) City facilities; and support of the first weekend of the month collection and disposal of bulky waste at 75<sup>th</sup> Street and Dickens Avenue, and 6<sup>th</sup> Street and Meridian Avenue; and

**WHEREAS**, the Administration would hereby recommend the Mayor and City Commission renew the franchise agreements with the City's four (4) current franchise waste collectors: 1) Waste Management of Dade County North, 2) Republic Services of Florida, 3) Waste Services, Inc., and 4) Davis Sanitation, Inc.; and

**WHEREAS**, the aforestated renewal would be for an initial term of three (3) years, commencing retroactively on October 1, 2008, and ending on September 30, 2011; and

**WHEREAS**, the City Manager would further recommend the renewal of the aforestated four (4) franchise agreements be subject to and conditioned upon negotiation and execution of separate service agreements (with the individual franchisees), which agreements would require the franchisees to provide the following additional public benefits/ services to the City:

1. Continue to provide those services as provided under the current service agreements, as well as;
2. Disposal of litter collected by City crews in the Entertainment Districts (Lincoln Road, Washington Avenue, Collins Avenue, Ocean Drive), beach walk, and boardwalk (this

- service will be provided seven days a week);
3. Pick-up and disposal of all litter cans throughout the City, except for litter cans located in the Entertainment Districts (this service will be provided seven days a week);
  4. Expand current recycling services to seventeen (17) additional City facilities (Franchisees to provide recycling containers and collect recycled material once a week);
  5. Pick-up and disposal of recycled material in the public right-of-way and City parks (service will be provided two times per week);
  6. Additional support for special events by providing fifty (50) 20-yard roll-off containers, per year, and by providing a discounted price on thirty (30) port-o-lets per year;
  7. Partnering with the City on a Citywide recycling education program; and

**WHEREAS**, the total value of the current public services provided by the four franchisees, (under the current service agreements), plus the newly negotiated additional public services (contemplated under the new service agreements), an estimated current value of \$1,359,082; and

**WHEREAS**, the additional \$896,620 in savings to the City will be reallocated to provide additional services and/ or to reduce positions and equipment in the Sanitation Division.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby approve the renewal of the franchise service agreements between the City and the four (4) current franchise waste contractors: 1) Waste Management of Dade County North, 2) Republic Services of Florida, 3) Waste Services, Inc., and 4) Davis Sanitation; said renewal(s) having an initial term of three (3) years, commencing retroactively on October 1, 2008, and ending on September 30, 2011; provided further that the aforesaid renewal(s) are subject to and contingent upon the successful negotiation and execution of a separate agreement between the City and the individual franchisees for the provision of additional public waste collection and disposal and recycling services; and further authorizing the City Manager to execute the service agreements upon conclusion of negotiations with the individual franchisees.

**PASSED and ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

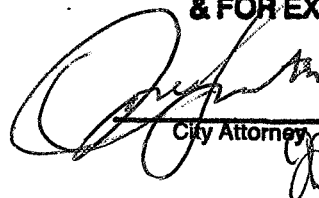
**ATTEST:**

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

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**APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION**

  
\_\_\_\_\_  
City Attorney

10/2/08  
\_\_\_\_\_  
Date