



MIAMIBEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 330-2008

LETTER TO COMMISSION

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

FROM: Jorge M. Gonzalez, City Manager

DATE: December 19, 2008

SUBJECT: **INTERLOCAL AGREEMENT FOR RECYCLING SERVICES**

At the December 16, 2008 Finance and Citywide Projects Committee meeting, the attached memorandum was presented and discussed with the Committee members. Present for the discussion were: Mayor Matti Herrera Bower, Commissioner Saul Gross, Commissioner Deede Weithorn, Commissioner Ed Tobin and Commissioner Jerry Libbin. Please note that the attached memorandum has been adjusted to correct a math error in the original document.

The Committee unanimously supported entering into an Interlocal Agreement for recycling services for our single family residents with Miami-Dade County. The Interlocal Agreement would replace the existing Interlocal Agreement with Miami-Dade County for which recycling services are provided until the end of the year.

So as not to delay program implementation, the Committee also authorized the City Manager to enter into the Interlocal Agreement immediately with a subsequent ratification by the City Commission at the regularly scheduled meeting on January 28, 2009.

It is anticipated that delivery of new recycling containers will begin over the weekend of December 20 and 21, 2008. In the event any inquiries are directed to the Mayor and City Commissioners, the improved recycling service will be offered to our residents at no change in the cost. The recycling service will still be on Wednesdays each week and the residents will now be able to use a single stream recycling process.

A single stream process is one in which all recycled materials are placed into the same container. As a practical matter, most household materials are recyclable with the exception of food waste and a few specific items such as plastic bags, batteries and electrical appliances. Specific directions on materials that can be placed in the recycling containers will be delivered to each household with the new recycling container and followed by other information from the City and County.

The single stream recycling program should provide a significant boost in recycling within the community both in terms of the quantity of materials and the number of participants.

JMG\RCM\sam

F:\cmgr\ALL\BOB\LTC - Recycling12-19-08.doc



MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jorge M. Gonzalez, City Manager

DATE: December 12, 2008

SUBJECT: **Discussion Regarding Options for Recycling Services**

At present the City of Miami Beach is provided recycling services through an Interlocal Agreement with Miami-Dade County. The City pays a per household fee on a monthly basis to Miami-Dade County who in turn secured the services of a waste contractor to undertake the recycling activity. The contract that has been used most recently by the County is with Waste Services Incorporated.

While the Interlocal Agreement with the County for recycling services is dated January 1990, it has automatic renewal provision contained which is still in effect.

Also a provision of the Agreement is that the Agreement can only be terminated without cause upon written consent of both parties. As such, neither the County nor the City can unilaterally terminate the recycling services agreements.

The City Administration has recently completed the negotiations of the terms and conditions of a new Interlocal Agreement with the County for recycling services if that is the direction which the City wishes to pursue.

The service which is available to the City through Interlocal Agreement with the County is a result of a competitive procurement process which the County has undertaken. Through that process, the County has selected a vendor to process recycled materials for resale and reuse, a vendor to haul the recyclables from residential units to the recycling facility, and a vendor to provide new carts for the resident use for recycling materials.

The vendor selected by the County for processing of recyclable materials is Waste Management, who has recently completed an extensive renovation of the materials recycling facility which they own in Pembroke Pines. This facility is a state of the art recycling operation that is designed to receive and process a single stream of recycled materials from the City's residents. The facility design sorts the single stream recycled materials into its individual and specific commodities reliably with a significant through put capacity and generates a product of high quality that can be sold in the recycled materials market.

One of the most significant changes that the County is offering to the City for recycling services is to allow our City to participate in a single stream recycling operation. The current service requires residents to use two different recycling bins and further requires the residents to sort at their homes paper products from the other recyclables which include cans, bottles, glass and plastic. In a single stream operation, residents will be able to put all recyclable materials into a single container. The standard container that will be made available to our residents through this program would be a sixty five (65) gallon container. The container is a large wheeled cart with a lid and it built sturdy enough to allow the County to collect the containers with a mechanized collection process. The impact of single stream

recycling is expected to be significant in the community and its advancement of recycling within the community. Other jurisdictions that have offered single stream recycling have seen increases of up to 40% in the amount of recycled material from individual households, as well as a substantial increase in the number of individuals who choose to use the recycling services as a result of the convenience.

The City's Sustainability Committee has reviewed and discussed the recycling concept and has endorsed the single stream concept and its opportunity to offer the City more expansive recycling opportunities.

Residents who choose a different size container would also at no cost be able to obtain a smaller 30 gallon container or a larger 90 gallon container for recycling purposes. Recycling collection would continue to be on Wednesdays on a weekly basis.

It is important to note that the City has negotiated with the County weekly collection as their normal County program will now revert to a biweekly collection. The Sustainability Committee and the City Administration strongly recommend that the City Commission endorse a weekly collection in order to maintain the same level of service currently provided to our residents and continuity with existing practices.

The County would continue to enforce the Recycling Ordinance County wide and would also offer the City assistance with promotional materials for the recycling program.

The costs for the recycling service through the County contractors are \$2.47 per household per month for the basic service and \$.75 per household per month for the added weekly collection only to the City of Miami Beach. A charge of \$.40 per household per month to offset the cost of the recycling container is included in the base price of \$2.47 per household per month. The total which residents would pay in their monthly sanitation bill would be \$3.22 per household per month. This cost is slightly more than the current amount paid by residents for recycling services of \$3.14 per household per month; however, the cost currently charged to residents for this service would remain unchanged.

The County service is anticipated to be improved over the current service and at no added charge to our residents. If this option is desired by the members of the City Commission, approval of an Interlocal Agreement at the January 28, 2009 City Commission meeting would be appropriate and the County would be able commence recycling services in the City shortly after its implementation. At the present time, the County is able to make recycling services available to the City approximately seven (7) to ten (10) days after approval of an Interlocal Agreement.

The City has two (2) other options which are available for recycling services that include:

1. Waiving competitive bidding and selecting a vendor to provide recycling services.
2. Issuing a Request for Proposals (RFP) for recycling services and selecting a vendor in that process.

In the waiver of competitive bid option, the City has received an unsolicited proposal from Waste Services, Inc. (WSI) to provide recycling services that would be designed to match those offered to the City by Miami-Dade County at a price of \$2.38 per household per month which would result in a savings to the City of \$.84 per household per month. On an annualized basis, the potential savings to residents if the City Commission would choose to reduce the solid waste bill to single family households it would be \$10.08 per household for the year. WSI has offered its recycling services using the recycling facility that they currently own and which they have used to provide recycling services for the dual stream recycling program that the City currently has in place. WSI has represented to the City that they believe their facility can be adapted to accept a single stream collection and still produce a viable end commodity for resale and reuse. In the event that this option were desirable for

the City Commission, it will be suggested that independent agency such as Ecomb provide the City with assessment of the WSI recycling facility in order to provide some assurance that the WSI process would provide for an equivalent amount of recyclable material recovery as the County's vendor. As no contract has been negotiated, it is difficult at this point to ascertain specifically how rapidly recycling services could be made available to the community through this vendor.

The other option available to the City is to issue an RFP for recycling services and select a vendor through that mechanism. In such an RFP process the City would anticipate WSI as a potential vendor, as well as another recycling firm in conjunction with Waste Management as another vendor. As a practical matter, those are the only two (2) processing facilities available in our proximity that could submit a proposal for the City. Under current market conditions which have changed negatively for the sale of recycled materials with the economic turn around, it is difficult to predict if the City could improve upon either of the two (2) known proposals which were previously identified. While possible to improve in cost there is certainly not a corollary with savings currently available in the construction market as a result of the economic down turn.

The potential challenges associated with an RFP are the time for implementation, as well as the necessity for the City to enter into multiple contracts and manage those contracts. As the City Commission knows an RFP process takes several months to get to completion and if the City Commission were to approve an RFP issuance at the January 28th City Commission meeting in an optimistic timeline the City might have an agreement to present for City Commission action by mid May 2009, which might necessitate an June approval by the City Commission. The RFP process would delay the implementation of recycling from a County Interlocal provider service by a minimum of five (5) to six (6) months.

Miami-Dade County has been invited to attend the Finance & Citywide Projects Committee meeting in order to address questions with the services which they are able to offer and WSI has also been informed of the meeting time and date.

JMG/RCM/sam

F:\cmgr\\$\ALL\BOB\FCWP CommitteeDiscussionRecyclingSvcs 12-08.doc