



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: June 25, 2025

TITLE: DISCUSSION AND UPDATE ON THE NON-EXCLUSIVE WASTE HAULER REQUEST FOR PROPOSALS (RFP).

RECOMMENDATION

The Administration recommends that a Request for Proposal (RFP) be issued to evaluate potential contractors for a single commercial waste hauler based on City Commission direction on March 13, 2024. If this is the selected service delivery method, the Administration also recommends that the City enters into a long-term agreement, to ensure that the City receives the best pricing and options.

BACKGROUND/HISTORY

Since 2008, the number of waste haulers that the City has had for commercial solid waste collection and disposal has fluctuated from four (4) to its current two (2): Waste Management Inc. of Florida (Waste Management), and Waste Connections of Florida, Inc. (Waste Connections).

In late 2021, the Public Works Department (Public Works) engaged MidAtlantic Solid Waste Consultants (MSW) to assist staff in evaluating the current franchise agreement structure and provide recommendations for an open versus closed, and exclusive versus non-exclusive, franchise waste contractor agreement. MSW presented its findings at the April 29, 2022 Finance and Economic Resiliency Committee (FERC), and recommended that the City transition to an exclusive franchise system. Committee members at the time, not agreeing with the findings by MSW, concluded the discussion with a motion to expand the analysis and to come back to a future meeting for an update. The Administration continued discussing this matter at FERC meetings from May 27, 2022, through September 22, 2023.

At the May 17, 2023 City Commission meeting, Public Works brought forth a Resolution accepting the recommendation of the March 31, 2023 FERC, to proceed with a Request For Qualifications (RFQ) for the City's waste hauler services, and to extend the current contracts for non-exclusive commercial franchise waste services (Item R7G). A motion was made to approve the request via Resolution No. 2023-32617. On October 5, 2023, the City issued Request For Qualifications (RFQ) 2023-506-WG Franchise Waste Contractors to Provide Multi-Family Residential and Commercial Waste Collection and Disposal. Responses were due and received on January 5, 2024. Five (5) responses were received in response to the RFQ.

On March 13, 2024, the City Commission adopted, by 7-0 vote, Resolution No. 2024-32967, sponsored by Commissioner Laura Dominguez, directing the Administration to: terminate RFQ 2023-506-WG for non-exclusive franchise waste haulers to provide multi-family and commercial waste collection, and to prepare a new Request for Proposals (RFP) for a "Single Hauler" for such services, to award an exclusive franchise to the qualified proposer having the most competitive and comprehensive proposal, including with respect to customer pricing, such RFP to be reviewed and approved by the City Commission prior to issuance, as well as the extension, on a month-to-month basis, of the contract term for the Non-exclusive Franchise Waste Contractor Agreement and Service Agreement for additional solid waste collection services and collection of recyclable

materials until such time as the new franchise agreement to be awarded pursuant to the RFP becomes effective.

At the March 22, 2024 FERC meeting, Public Works presented, at the request of Commissioner Alex Fernandez via a referral to FERC approved at the January 31, 2024 City Commission meeting, seven (7) recommendations for qualitative and quantitative criteria to be considered in the procurement of a "Single Hauler" (exclusive agreement), for multi-family residential and commercial waste collection and disposal. The FERC discussion at Committee concluded with a motion to move the item to the City Commission, with a favorable recommendation to engage a new consultant to assist with the development of the RFP including an analysis of:

- Potential financial impacts for FY 2025 and beyond resulting from additional city responsibilities
- A hybrid model option, and
- Waste hauler systems used in other similarly unique coastal cities

At the May 15, 2024 City Commission meeting, Vice-Mayor Dominguez made a motion to adopt the Resolution as recommended at FERC on March 22, 2024, with the amendment to have a single hauler, instead of a hybrid model option. The amended single hauler model motion received 3-4 vote, causing the motion to fail. A second motion was made by Commissioner Alex Fernandez, to adopt the Resolution as originally presented, with the hybrid model option. This motion received a 7-0 vote, approving the motion.

At the July 24, 2024 City Commission meeting, the Administration presented and received approval to proceed with the issuance of RFQ 2024-366-WG Solid Waste Consulting Services, seeking a qualified independent consultant to provide solid waste consulting services as requested. The City received a sole proposal, presented by MidAtlantic Solid Waste Consultants, LLC, the same consultant who conducted the first study. The Administration had no option but to reject the proposal received as the direction was to engage a new consultant. The RFQ for consulting services is in the process of being reissued.

ANALYSIS

City staff is prepared to issue an RFP for a "Single Hauler" or non-exclusive commercial waste hauler contract, as directed at the March 13, 2024 City Commission, that would include the issuance of a long-term contract, and potential revision to the current City service fees, to balance the Sanitation fund. We were hoping to have the benefit of the analysis requested by Commission prior to issuance of the RFP but the limited pool of consulting expertise in this field has delayed the completion of that analysis.

Alternatively, City staff is also prepared to issue a Request For Qualifications (RFQ), maintaining the same system we currently have, and potential revision to the current franchise contract fees, to balance the Sanitation fund.

Staff is prepared to discuss the current marketplace and answer any inquiries that the City Commission may have as it relates to either process. Due to the challenges surrounding the securing of a new consultant and multiple outstanding analyses as requested by Commission for the commercial haulers, staff has focused on securing the renewal of the long-term residential waste hauler service which is being presented in this Commission meeting.

FISCAL IMPACT STATEMENT

The Sanitation fund is currently experiencing an imbalance due to the addition and expansion of City services, including added pressure washing, Cat Program, and gum removal citywide (the deficit/gap in the Sanitation Fund for Adopted FY 2025 budget was \$3,692,000). In conjunction with the Request for Proposals (RFP), an adjustment to the existing franchise fee rate will be necessary

to address this imbalance. At this time, the precise extent of the required rate modification has not yet been determined.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

CONCLUSION

The Administration recommends that a Request for Proposal (RFP) be issued to evaluate potential contractors for a single commercial waste hauler based on City Commission direction on March 13, 2024. If this is the selected service delivery method, the Administration also recommends that the City enters into a long-term agreement, to ensure that the City receives the best pricing and options.

Applicable Area

Citywide

Is this a “Residents Right to Know” item, pursuant to City Code Section 2-17?

Yes

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Public Works

Sponsor(s)

Co-sponsor(s)

Condensed Title

Discuss/Update, Non-exclusive Waste Hauler Request for Qualification (RFQ). PW

Previous Action (For City Clerk Use Only)