



COMMISSION MEMORANDUM

TO:	Honorable Mayor and Members of the City Commission
FROM:	Rickelle Williams, Interim City Manager
DATE:	July 24, 2024
TITLE:	REQUEST APPROVAL TO ISSUE REQUEST FOR QUALIFICATIONS (RFQ) NO. 2024-366-WG SOLID WASTE CONSULTING SERVICES. (PUBLIC WORKS)

RECOMMENDATION

It is recommended that the Mayor and City Commission of the City of Miami Beach, Florida, authorize the issuance of Request for Qualifications (RFQ) 2024-366-WG for Solid Waste Consulting Services.

BACKGROUND/HISTORY

The City currently has two (2) franchise agreements issued to solid waste contractors for residential and commercial solid waste collection and disposal. The terms of these agreements were scheduled to expire on September 30, 2022, but were extended on a month-to-month basis until new franchise agreements are awarded, as described further below.

The Public Works Department 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.

At the April 29, 2022, Finance and Economic Resiliency Committee (FERC or Committee) meeting, the City Administration presented MSW's findings, and, among them, MSW recommended that the City transition to an exclusive franchise system. A motion was made to expand the analysis and to come back to a future meeting with the findings. The Administration continued discussing this matter at FERC meetings from May 27, 2022, through March 31, 2023.

Parallel to the FERC discussions of what would be the future terms of a non-exclusive commercial franchise waste contractor agreement and service agreements, a motion was made for Public Works to place a request to extend, on a month-to-month basis, the contract term of the non-exclusive commercial franchise waste contractor agreement and service agreement with Waste Management Inc. of Florida, and Waste Connections of Florida, Inc., for a period not to exceed September 30, 2023. The City Commission approved this request via Resolution No. 2022-32228.

At the March 31, 2023, FERC meeting, Committee members made a motion to proceed with a replacement Request for Qualifications (RFQ) and requested the Agreements set to expire on September 30, 2023, be extended from October 1, 2023, until such time, as the solicitation process of the RFQ is completed and the new contracts are in place.

At the May 17, 2023, City Commission meeting, the Administration via the Public Works Department presented a resolution to accept the recommendation of the FERC from its March 31, 2023, meeting. This recommendation was to proceed with a RFQ for the City's waste hauler services and to extend the current contracts for non-exclusive commercial franchise waste services (Item R7 G). A motion was made to approve the request via Resolution No. 2023-32617.

Based on the City Commission's direction, the intent of the RFQ was to award three (3) or more franchise waste contractor licenses and two (2) or more alternates to substitute a franchise waste hauler that is acquired by another or whose contract is terminated. The franchisees and alternate franchisees will be selected from the applicant pool based on their qualifications as set forth in Section 90-229(a) of the City Code. Notwithstanding the foregoing, the City Commission may have awarded fewer franchise waste contractor licenses if, in its sole discretion (and after considering the recommendation of the City Manager), it determines there are insufficient qualified applicants to award three (3) franchise waste contractor licenses and/or alternates.

On October 5, 2023, RFQ 2023-506-WG Franchise Waste Contractors to Provide Multi-Family Residential and Commercial Waste Collection and Disposal was issued. Responses were due and received on January 5, 2024.

At its January 31, 2024 meeting, the Mayor and City Commission approved a referral to the March 22, 2024 FERC as sponsored by Commissioner Alex Fernandez, to discuss 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.

However, at the March 13, 2024, Commission meeting, the Mayor and City Commission unanimously adopted Resolution No. 2024-32967, sponsored by Commissioner Laura Dominguez, directing the Administration to terminate Request for Qualifications (RFQ) 2023-506-WG for non-exclusive franchise waste haulers to provide multi-family and commercial waste collection and to prepare an RFQ for a "single hauler" for such services.

At its March 22, 2024, FERC meeting, the Public Works Department presented the Committee with seven (7) recommendations, discussed further below, to be considered. These included various components of a single hauler system that must be adequately evaluated and addressed before an RFP can be issued. Additionally, the Department indicated that a menu of services should be part of the RFP to obtain pricing for all needed services. A motion was made by Committee members to retain the item at FERC and return with options; make a favorable recommendation to the Commission; and direct staff to procure and engage a consultant to assist with the preparation, including financial analysis, investigation, and comparison of other coastal cities outside of Florida such as Savannah, Charleston, Boston, and New Orleans, as well as an analysis of a potential hybrid model.

At the FERC Committee meeting, the Administration recommended, at a minimum, consideration of the following to be included as part of the RFP process:

- 1) The length of the agreement should be a minimum of 7 to 10 years with an allowance for multiple renewal extensions. For the single hauler to recoup their significant capital costs while providing competitive pricing to the customers, a long-term agreement is necessary.
- 2) In the evaluation of the proposals, price needs to be weighted at 40-60%. Financial liquidity must also be an important evaluation criterion that should be considered. Financial stability and competitive pricing are key metrics that need to be evaluated.
- 3) Separate pricing structures for multifamily and commercial accounts should be provided. Each group should have dumpster, compactor and cart categories for different services that are to be provided. In addition, for multi-family of nine or more units, recycling needs to be included in the RFP as part of the services provided. Additionally, the single hauler should offer recycling pricing for commercial accounts to provide customers another option to either choose their own recycling services or to have it included as part of the single hauler services.
- 4) An increase in Sanitation staffing levels for this single hauler system, which includes a budgeted contract administrator and 2 budgeted customer service representatives, is required. Further analysis by the Administration may be necessary to determine if additional field staffing may be required to oversee the hauler's day to day operations.

5) A financial analysis is required to ensure that the current franchise fee of 24%, which supplements a substantial portion of the sanitation budget as well as position and programs for Environment and Sustainability, is part of the service fee under the single hauler system.

6) A determination should be made for billing customers whether the City should perform this service as it currently does for the residential single hauler contract or have the single hauler provide this service.

7) An alternative option to include bulk waste for multi-family and business owners should be included in the RFP.

At its May 15, 2024, meeting, the City Commission approved the request, accepting the recommendation of the Finance and Economic Resiliency Committee at its March 22, 2024, meeting via Resolution 2024-33070 as proposed. However, with the amendment to only have a single hauler model and to have a Zoom meeting with large residential condominiums.

As a result, the Administration developed Request for Qualifications (RFQ) 2024-366-WG for solid waste consulting services.

ANALYSIS

The City is seeking a qualified independent consultant to provide solid waste consulting services, including but not limited to, review and assessment of current operational functions, research of other coastal cities that may operate under a single hauler or hybrid model, including analysis, potential financial impacts for Fiscal Year 2025 and beyond for city-added responsibilities, assist with the development of a solicitation.

The selected consultant shall be precluded from bidding/responding to the competitive solicitation to provide commercial/residential waste management services.

The successful Consultant will evaluate the existing services and provide recommendations that may improve operational efficiency, minimize waste, increase recycling rates, and enhance cost savings and revenues.

Assessment and Recommendation Phase

The consultant shall review stakeholder feedback from previous community meetings and provide key requests for consideration by the City.

Analyze current waste hauling data, including collection volumes, service frequency, and customer satisfaction metrics.

- Conduct market research to identify industry best practices, innovative technologies, and trends in waste management services.
- Benchmark against similar municipalities or organizations to identify competitive service standards and pricing models.

The successful Consultant will review the current collection agreement(s) and assist in drafting a solicitation to clarify City expectations and provide exceptional service at the best price. The selected consultant shall:

Solicitation Development Phase

Assist the City in developing clear evaluation criteria and a scoring sheet for the City's use. The consultant will collaborate with the City to explain and organize this information within the solicitation. Assist the City in clearly defining the scope of services, performance standards, and evaluation criteria. At a minimum, the solicitation will include:

- Language on quality assurance,

- Detailed description of services to be provided,
- Performance measurements,
- Remedies for underperformance (liquidated damages),
- Reporting and data requirements,
- Best practices for recycling/waste diversion,
- Full-disclosure pricing forms to cover all services currently offered, and
- Other information as required to complete the necessary documents.

Technical Assistance During Bid Process Phase

The consultant will provide technical assistance throughout the process of issuance of the solicitation and receipt of submittals, including:

Assistance with the Facilitation of Pre-Proposal Meetings

The consultant will attend the pre-proposal conference(s) and assist City staff in responding to questions received at the meeting(s) and in writing.

Pricing Development

The consultant will assist in developing a scoring model to evaluate the costs of the specified services and compare them to the projected costs of the proposed services.

Proposal Evaluation Support

Initial Evaluation- The consultant will assist in reviewing proposals received and developing follow-up questions for each proposer (as applicable).

Pricing Technical Analysis and Summary

The consultant will provide a high-level pricing technical analysis summary for consideration by the City.

Contract Negotiations and Commencement

- The consultant will assist the City with contract negotiations and Agreement preparation.
- The consultant will support the City with the preparation and roll-out of new contracts, providing guidance and suggestions for making any transition in contractors or changes to program elements as smooth as possible.

Optional Tasks

- The consultant may be asked to review the City's ordinance, identify areas requiring updates based on the outcome of the study, and provide suggested ordinance language for consideration by the City.
- The consultant may be asked to attend Commission and or committee meetings to present and answer any technical questions.

Following the receipt of proposals, an Evaluation Committee will review proposals in accordance with the criteria established in the draft RFQ (attached).

FISCAL IMPACT STATEMENT

The current established budget for these services is \$100,000.00. Fees will be established through the negotiation process upon award and shall be subject to successful negotiations and the availability of funds approved through the City's budgeting process. It is not anticipated that grant funding will be utilized for this project.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

