



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: June 25, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, WAIVING, BY 5/7TH VOTE, THE FORMAL COMPETITIVE BIDDING REQUIREMENT IN SECTION 2-367(e) OF THE CITY CODE, FINDING SUCH WAIVER TO BE IN THE BEST INTEREST OF THE CITY, AND APPROVING AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE A SERVICE AGREEMENT WITH WASTE CONNECTIONS OF FLORIDA, INC. (WASTE CONNECTIONS) FOR THE COLLECTION AND DISPOSAL OF RESIDENTIAL SOLID WASTE, YARD DEBRIS, AND BULK WASTE AND THE OPERATION OF THE CITY'S GREENWASTE FACILITY, TO CONTINUE TO PROVIDE STABLE PRICING AND RELIABLE RESIDENTIAL WASTE COLLECTION SERVICES TO CITY RESIDENTS WHO RESIDE IN SINGLE FAMILY HOMES OR MULTIFAMILY HOUSING PROJECTS WITH TWO (2) TO EIGHT (8) RESIDENTIAL UNITS; SAID AGREEMENT HAVING AN INITIAL TERM OF TEN (10) YEARS, COMMENCING ON JANUARY 1, 2026 AND EXPIRING ON DECEMBER 31, 2035; WITH TWO RENEWAL TERMS, SUBJECT TO CONSENT OF THE PARTIES: (I) A FIRST RENEWAL TERM FOR A PERIOD OF FIVE (5) YEARS, FROM JANUARY 1, 2036 TO DECEMBER 31, 2040; AND (II) A SECOND RENEWAL TERM FOR A PERIOD OF THREE (3) YEARS, FROM JANUARY 1, 2041 TO DECEMBER 31, 2043.

RECOMMENDATION

Based upon the favorable financial terms and the reliable services provided by Waste Connections and its related entity, Choice Environmental, over the years, the Administration recommends that the Mayor and City Commission waive, by a 5/7th vote, the formal competitive bidding requirement, as permitted under Section 2-367(e) of the City Code, as being in the best interest of the City, and approve and authorize the execution of the Service Agreement with Waste Connections, containing the referenced essential terms, a copy of which is attached hereto; said Agreement having an initial ten-year term, commencing on January 1, 2026 and expiring on December 31, 2035; a first renewal term, upon consent of the parties, for a period of five (5) years, from January 1, 2036 to December 31, 2040; and a second renewal term for a period of three (3) years, from January 1, 2041 to December 31, 2043 to continue to provide stable pricing and continued service excellence to City residents who reside in single family homes or multifamily housing projects with two (2) to eight (8) residential units.

BACKGROUND/HISTORY

On June 9, 2010, the City and Choice Environmental Services of Miami, Inc. (Choice Environmental) entered into a Service Agreement for the Collection and Disposal of Residential Solid Waste, Yard Trash, Bulk Waste, and Operation of the City's Green Waste Facility pursuant to Request for Proposals No. 60-08/09 (the 2009 RFP), with a term ending on December 31, 2018. On February 21, 2019, the City and Waste Connections of Florida, Inc. d/b/a Waste

Connections of Florida (Waste Connections) entered into the current Service Agreement for the Collection and Disposal of Residential Solid Waste, Yard Trash, Bulk Waste, and Operation of the City's Green Waste Facility pursuant to Request for Proposals No. 2018-024-WG (the 2018 RFP); said current agreement having an initial term of five (5) years, commencing on January 1, 2019 and expiring on December 31, 2023, with the option to renew up to three (3) additional one-year renewal terms. Waste Connections serves the City's single-family homes and multifamily housing developments with two (2) to eight (8) residential units. Choice Environmental and Waste Connections were related corporate entities.

The City is currently in its second one-year renewal term of the current agreement with Waste Connections, set to expire in December 2025. This extension can only be renewed by mutual consent of both parties.

Waste Connections of Florida indicated to the Administration that it would not be able to renew their contract with the City after the extension expires in December 2025, due to the increase in cost of service. The existing contract terms as written, were no longer deemed financially viable for Waste Connections. Further, research shows that in the State of Florida (based on bids submitted to the different Florida cities for residential solid waste services), there had been an average rate increase of 50% over a five-year period, from 2019 – 2024.

On November 20, 2024, at the request of Commissioner Joseph Magazine, the Mayor and City Commission (City Commission) approved a referral to the Finance and Economic Resiliency Committee (FERC) to discuss the City's Residential Solid Waste Collection Contract. Additionally, to provide a presentation showing the City's current situation, statistics showing recent rate increases, and staff recommendations on whether to continue with the existing agreement or to procure a new one, as well as any other options to consider on the matter.

On December 20, 2024, FERC members discussed the Residential Solid Waste Collection Contract and presentation as requested. The discussion concluded with a motion, to move the item to the City Commission, directing the Administration to proceed with negotiations for a long-term agreement between the City and Waste Connections, which would include the waiver, by 5/7th vote of the formal competitive bidding requirement. The waiver of the formal competitive bidding requirement was necessary to allow the Administration to negotiate a contract with Waste Connections, which would be brought back to the City Commission for approval. Contracting exclusively with Waste Connections would continue to provide stable pricing and continued service excellence to the City's residents. On February 3, 2025, the Mayor and City Commission adopted Resolution No. 2025-33461, accepting the recommendation of FERC.

ANALYSIS

The Administration has negotiated a Service Agreement with Waste Connections, a copy of which is attached hereto (Attachment A), containing the following essential terms:

(1) Term: Initial Term of ten (10) years, commencing upon the expiration of the current renewal term, on January 1, 2026, and expiring on December 31, 2035; first renewal term, upon consent of the parties, for a period of five (5) years, from January 1, 2036 to December 31, 2040; second renewal term for a period of three (3) years, from January 1, 2041 to December 31, 2043.

(2) Compensation: The City shall pay Waste Connections, a per unit fee (Unit Price), in the amount of \$42.03 per month (compared to the current amount of \$34.37), of which (i) 25% (\$10.51) relates to the disposal cost (Disposal Costs), which could be subject to change as a passthrough expense if Miami-Dade County modifies the disposal fees; and (ii) the remaining 75% (\$31.52) relates to the collection costs (Collection Costs), which Collection Costs are subject

to annual CPI escalations not to exceed 5%, without negative adjustments.

(3) Equipment. The Services will be operated with no less than three (3) trucks, no more than six (6) years old. New trucks will be provided for this contract in year 2 (2027), year 8 (2033) and if an extension is agreed upon by mutual consent (2039).

(4) Public Benefits:

- In Kind Services, delineated in the attachment to this City Commission Memorandum (Attachment B);
- Green Waste Facility: Green Waste Facility services are free to residents and at a charge of \$20 per cubic yard for landscape firms;
- Contribution for Green Waste Facility Upgrades: Waste Connections shall provide the City with a one-time payment of Twenty-Five Thousand and 00/100 (\$25,000.00) Dollars, as a contribution toward the improvement costs associated with the City's Green Waste Facility project.
- Contribution for Recycling Program: Waste Connections agrees to provide the City with an annual contribution, in the amount of Twenty-Five Thousand and 00/100 (\$25,000.00) Dollars, payable each February 1 of each contract year during the Term of the Agreement, toward the City's recycling program.
- Monthly Roll-off Containers; Advertising Neighborhood Pride Weekends: During the first weekend of every month during the Term, Waste Connections will place five (5), twenty (20) yard roll off Containers at such location or locations designated by the City; Waste Connections will advertise the Neighborhood Pride Weekends at no cost to the City;
- Promotional Material: Within sixty (60) days from the Commencement Date, Waste Connections will provide corporate literature and promotional materials to assist the City with its anti-litter program;
- Public Advertisements: As directed by the City Manager, Waste Connections, at its sole cost, will place City-approved, public advertisements on its collection trucks and replace any such public advertisements with new public advertisements every six (6) months during the Term;
- Residency: Waste Connections will make reasonable efforts to, whenever practical in its hiring policies, to employ personnel from among residents of the City of Miami Beach; and
- Bulky Yard Trash: Bulky Yard Trash will be collected on a scheduled basis, at no additional charge, for up to six (6) times per year, on dates scheduled between the customer and Waste Connections.

(5) Performance Penalties: Waste Connections is subject to monetary performance penalties, which are deducted from the monthly billing to Waste Connections (without liability to the City).

(6) Termination for Convenience: Upon 30 days' notice, the City Manager may terminate the Agreement for convenience.

FISCAL IMPACT STATEMENT

No fiscal impact.

CONCLUSION

Based upon the favorable financial terms and the reliable services provided by Waste Connections and its related entity, Choice Environmental, over the years, the Administration

recommends that the Mayor and City Commission waive, by a 5/7th vote, the formal competitive bidding requirement, as permitted under Section 2-367(e) of the City Code, as being in the best interest of the City, and approve and authorize the execution of the Service Agreement with Waste Connections, containing the above referenced essential terms, a copy of which is attached hereto; said Agreement having an initial ten-year term, commencing on January 1, 2026 and expiring on December 31, 2035; a first renewal term, upon consent of the parties, for period of five (5) years, from January 1, 2036 to December 31, 2040; and a second renewal term for a period of three (3) years, from January 1, 2041 to December 31, 2043 to continue to provide stable pricing and continued service excellence to City residents who reside in single family homes or multifamily housing developments with two (2) to eight (8) residential units.

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

Department

Public Works

Sponsor(s)

Commissioner Joseph Magazine

Condensed Title

Waive Bid/Execute Service Agreement w/ Waste Connections of Florida, Inc. (Magazine) PW
5/7

Previous Action (For City Clerk Use Only)