

**MARTIN COUNTY, FLORIDA
SUPPLEMENTAL MEMORANDUM**

TO: Honorable Members of the Board of County Commissioners **DATE:** January 7, 2021

VIA: Taryn Kryzda
County Administrator

FROM: Don G. Donaldson, P.E.
Deputy County Administrator

REF: 21-0290

SUBJECT: **FRANCHISE AGREEMENT WITH WASTE MANAGEMENT, INC. OF FLORIDA (WMIF) FOR THE COLLECTION OF SOLID WASTE AND RECYCLABLE MATERIAL**

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The County's Franchise Agreement with Waste Management, Inc, of Florida (WMIF) is set to expire on September 30, 2021 and is more particularly described in Departmental agenda item DEPT-5 presented on this day. On September 15, 2020 the Board voted to reject the bid offers that were in response to an RFP that was published on November 18, 2019 and directed staff to negotiate a new agreement with WMIF. The terms of the new agreement were to be those that were established in the RFP.

County staff and WMIF representatives have agreed upon a new agreement that incorporates the same high levels of service that WMIF proposed in their RFP submission while making changes in the agreement to allow for reductions of cost to certain rates for service. WMIF will increase their fleet thereby adding addition routes that will reduce the pickup times during the day, improve overall operations and improve customer service. Other benefits of this agreement include the transition to single stream recycling utilizing 65-gallon wheeled carts that will be picked-up by an automated system on the recycling truck. In addition, they are converting the majority of their fleet to run on compressed natural gas (CNG) which will lower pollution emissions and carbon footprint.

The proposed Franchise Agreement including exhibits is provided via this supplemental memorandum. WMIF has committed to providing the County with a fully executed (by WMIF) Agreement prior to the BOCC meeting.

Highlights of the new agreement include:

- On the commencement date of October 1, 2021, no vehicles can be more than ten (10) years old.
- 75% of new front-line vehicles must be in service by December 31, 2021.
- All collection vehicles must be model year 2020 or newer by October 1, 2022.
- Recycling carts will be procured and distributed before the commencement date.
- The initial 3% fixed rate Consumer Price Index for Water-Sewer-Trash will be replaced and applied each year with a provision for a floor of 2% and a ceiling of 5%.
- Recognition of recycling cart restrictions in certain communities and allowing for a reduction in the quantity of 65-gallon containers, administrative procedure change for a

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commercial right sizing program and other administrative and reporting requirements that improved the agreement.

- Funding from the contractor will be dedicated to public notices and educational services. This was currently funded at \$25,000 annually and applied to specific applications. Increased to \$40,000 annually and expanding the list of compliant recipients to community groups and organizations with a focus on litter control, environmental improvements and other value-added activities.

These modifications to the agreement have resulted in an annual reduction of \$1.25 Million-dollar in overall cost to the agreement. The fees for residential collection are the same as WMIF's best and final offer but, the commercial fees have been significantly reduced to lessen the burden on our businesses. Residential fees were maintained at the best and final rate because that is the cost to provide these services. and staff did not feel it was appropriate to have our businesses subsidize residential customers, especially given the uncertainty many of them face during this COVID-19 pandemic.

WMIF's best and final offer during the RFP process had an annual agreement value of \$22,635,765.60 and the proposed agreement attached to this agenda has an annual agreement value of \$21,385,909.08. The residential annual rate remains at the best and final offer of \$20,745,767 and is anticipated to be \$384.20 which equates to \$1.85 per pick up.

Staff's Recommendation:

Move that the Board authorize the Chair to execute the Franchise Agreement between the County and WMIF for goods and services as provided for within the agreement.

KL

Reviewed by County Attorney's Office