



Legislation Text

File #: 2021-15, Version: 2

MOTION TO PASS PROPOSED ORDINANCE NO. 2021-15 ON SECOND AND FINAL READING.

PROPOSED ORDINANCE NO. 2021-15 IS AN ORDINANCE OF THE CITY OF PEMBROKE PINES, FLORIDA, TO APPROVE THE FRANCHISE AGREEMENT WITH EASTERN WASTE SYSTEMS, INC. ("EWS") FOR BULK WASTE/TRASH AND BULK YARD WASTE COLLECTION SERVICES, ATTACHED HERETO AS EXHIBIT "A"; AUTHORIZING THE CITY MANAGER OF THE CITY OF PEMBROKE PINES TO EXECUTE THE AGREEMENT WITH EWS, ALL CONSISTENT WITH THE PROVISIONS OF SECTION 3.12 OF THE CHARTER OF THE CITY OF PEMBROKE PINES; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR EFFECTIVE DATE.

SUMMARY EXPLANATION AND BACKGROUND:

1. On March 5, 2021, the City advertised its Request for Proposals #AD-21-01 of the CITY's desire to hire a firm(s) to provide "Solid Waste, Recycling, HHW, Bulk & Yard Waste Collection Services."
2. On May 19, 2021, the City Commission approved the evaluation committee's recommendation to award the Bulk Waste Collection portion of the solicitation and to have the City Manager negotiate an agreement with Eastern Waste Systems, Inc. ("EWS").
3. The City has negotiated the attached Franchise Agreement which shall be for an initial period commencing on January 2, 2022 through September 20, 2028. In addition, the term may be extended for one (1) additional seven (7) year term, subject to the execution of a written amendment to the agreement signed by both parties.
4. The new Franchise Agreement with EWS would take effect after the current Disposal Agreement with Reuter Recycling of Florida, Inc. expires on January 1, 2022.
5. The Bulk Waste Collection services shall be a Turnkey Solution, in which EWS will be responsible for paying the tipping fees at the disposal site. The City's Administration has negotiated two options for bulk to be picked up twice per month. One option is where the bulk trash and bulk yard waste are mixed, in which the residents will be able to mix both wastes. While the other option would be to have bulk trash and bulk yard separated, therefore one of the pickups will be solely dedicated to Bulk Yard Waste and the other pickup will be dedicated to Bulk Trash. Below are the negotiated monthly prices for both options:

<u>Description</u>	<u>Separated</u>	<u>Mixed</u>
Collection Fee	\$ 4.52	\$ 4.52
Disposal Fee	\$ 1.52	\$ 1.67
Total Fee	\$ 6.04	\$ 6.19

6. On September 1, 2021, the City Commission approved, on first reading, the negotiated franchise agreement commencing on January 2, 2022 with the Mixed Bulk Waste option at \$6.19 per month, in which residents would continue to commingle bulk trash and bulk yard waste in the same bulk waste pile.

7. The initial collection rates shall remain firm through September 30, 2023 and on October 1, 2023, and annually thereafter, the rates shall be automatically increased according to the annual Consumers Price Index for All Urban Consumers (CPI/U), Seasonally Adjusted as published by U. S. Department of Labor, Bureau of Labor Statistics in the Detailed Report Series ID: CUSR0000SEHG - "Water and Sewer and Trash Collection Services" in U.S. city average for the annual change for the month of April or 3%, whichever is less but not less than zero. In addition, in the event that there is a change to the tipping fee at the Disposal Facility, the Disposal Fee portion of the rates shall be adjusted by re-calculating the Disposal Fees based on the percent of change in the tipping fee at the Disposal Facility.

8. Request Commission to approve the franchise agreement with Eastern Waste Systems, Inc. for Bulk Waste/Trash and Bulk Yard Waste Collection and to pass proposed ordinance no. 2021-15 on second reading.

FINANCIAL IMPACT DETAIL:

a) Initial Cost: The cost of residential solid waste, recycling, bulk waste, and commercial collection and disposal services are paid by the residents and business owners in Pembroke Pines, respectively. The City, is the billing agent for the solid waste hauler(s), collects all payments for waste services and remits the amount collected to the solid waste hauler(s) less the franchise fee and the administrative fee.

b) Amount budgeted for this item in Account No: The amounts listed below are for the Franchise Fees and Administrative fees related to the Residential Solid Waste, Residential Recycling, Commercial Waste and Residential Bulk Waste Collection services for the 2021-2022 proposed budget:

Account #	Description	2021-2022
1-323720	Franchise Fees - Sanitation - Franchisee	\$3,075,000
100-323720	Franchise Fees - Sanitation - Franchisee	\$1,595,000
1-341917-800	Admin Fee - Sanitation	\$ 294,000

c) Source of funding for difference, if not fully budgeted: The Finance Department currently records the transactions related to the sanitation process through balance sheet accounts. However, the Finance Department intends on creating a separate fund and/or general ledger accounts to help facilitate record keeping for this new sanitation process, which would include a balanced increase to the City's revenue and expenditure budget. The increase will be due to recording these transactions in the City's revenue and expenditure accounts, in lieu of balance sheet accounts.

d) 5 year projection of the operational cost of the project: Not Applicable.

e) Detail of additional staff requirements: Not Applicable.