

# SEMINOLE COUNTY GOVERNMENT AGENDA MEMORANDUM

**SUBJECT:** Briefing on Exclusive Commercial Solid Waste Collection Franchise

**DEPARTMENT:** Environmental Services **DIVISION:** Solid Waste Management

**AUTHORIZED BY:**  **CONTACT:**  **EXT.** 2022  
John Cirello, PhD., P.E., Director David Gregory, Manager

<b>Agenda Date</b> <u>02-14-06</u>	<b>Regular</b> <input type="checkbox"/>	<b>Consent</b> <input type="checkbox"/>	<b>Work Session</b> <input type="checkbox"/>	<b>Briefing</b> <input checked="" type="checkbox"/>
	<b>Public Hearing – 1:30</b> <input type="checkbox"/>		<b>Public Hearing – 7:00</b> <input type="checkbox"/>	

**MOTION/RECOMMENDATION:**

Staff is seeking direction from the Board of County Commissioners concerning Exclusive Commercial Solid Waste Collection Franchises.

**BACKGROUND:**

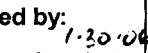
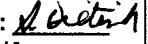
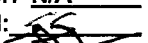

Consistent with the Board of County Commissioners' request, staff has researched issues associated with creating exclusive commercial solid waste collection franchises in unincorporated Seminole County.

Currently, the County has a system of Non-Exclusive Commercial Solid Waste Collection Franchises whereby the Board authorizes firms to collect commercial solid waste in unincorporated Seminole County. Eight (8) firms have been issued Non-Exclusive Commercial Solid Waste Collection Franchises and three (3) applications are being processed.

The attached presentation provides an overview of commercial solid waste collection issues. The presentation is organized as follows:

- Background on solid waste management program in Seminole County, including a discussion of multi-family solid waste collection.
- Information about commercial solid waste collection franchises.
- Information about other County's commercial solid waste franchises.
- Factors to consider in developing a commercial solid waste collection franchise. A potential model of an exclusive commercial solid waste collection program is presented.

Detailed information is provided in the attached presentation.

<b>Reviewed by:</b> <u></u> 1-30-06
<b>Co Atty:</b> <u></u>
<b>DFS:</b> <u>N/A</u>
<b>Other:</b> <u>N/A</u>
<b>DCM:</b> <u></u>
<b>CM:</b> <u></u>
<b>File No:</b> <u>BESS01</u>

## Franchising Commercial Solid Waste Collection in Seminole County

February 14, 2006

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## Franchising Commercial Solid Waste

- Provide background on current solid waste management program
  - \* Especially multi-family and commercial waste
- Present information about commercial solid waste collection franchises
- Describe how other communities franchise commercial waste
- Discuss a model for implementing a commercial solid waste collection franchise

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## Seminole County

- Residential Solid Waste Collection – Exclusive Franchise since 1990.
  - \* Multi-family waste managed as commercial waste
- Unincorporated Commercial Solid Waste Collection
  - \* Certificate of Public Convenience and Necessity for construction debris, recycling, special waste etc. (since 1991)
  - \* Non-Exclusive Commercial Franchises for collection of garbage (since 2003)

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## Commercial Solid Waste Collection

- Certificate of Public Convenience and Necessity (C&D, Recycle, Special waste)
  - \* 14 firms
  - \* 1 application in process
- Non-Exclusive Commercial Franchise Haulers (Garbage)
  - \* 8 firms approved,
  - \* 3 applications in process

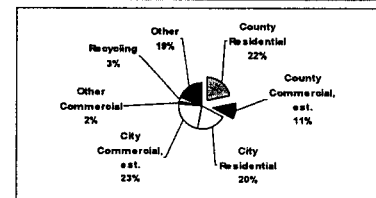
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## Current Non-Exclusive Commercial Franchises

- One-year agreements
- Annual renewal required
- Regular reporting required
- Firms agree to deliver all commercial solid waste collected in unincorporated county to landfill or transfer station
- Insurance required
- Limited ability to control and enforce

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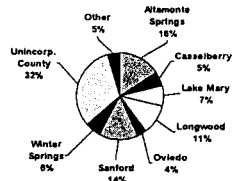
## Waste Deliveries to Seminole County Facilities, FY 2005



- 450,00 tons total
- Residential: County – 97,000 tons, City – 90,000 tons
- Commercial: County – 51,500 tons, City – 104,000 tons

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## Commercial Solid Waste Deliveries Reported by Haulers, 2005



- Commercial: 163,000 tons
- County: 51,500 tons

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## Commercial Solid Waste Management Options

- Continue current non-exclusive commercial franchises
- Implement interim exclusive commercial solid waste collection franchise as part of phased approach
- Combine commercial and residential franchises in 2010

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## Exclusive Commercial Franchise

### Opportunities

- County has more control of collection system (terms, conditions, management)
- Reduce overall truck traffic
- Potential to reduce litter
- Potential to reduce prices through economies of scale
- Control of disposal activities

### Constraints

- Competition during procurement
- Fewer service providers
- Limited customer choice
- More County effort to administer
- County as market participant - Carbone decision
- Florida Fair Competition Act

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## Other Florida Counties Exclusive Commercial Franchises

- Palm Beach County – Exclusive residential and commercial franchises tied together. Tax roll billing (MSBU) for commercial disposal on a "square foot basis." Customer pays hauler for collection. Rates set by competitive procurement.
- Sarasota County – Exclusive residential and commercial franchise. County pays hauler for residential service. Hauler bills commercial collection and disposal to customer. Rates set by competitive procurement.
- Brevard County - Exclusive residential and commercial franchise. Tax roll (MSBU) billing for collection and disposal of all waste. County pays hauler for collection.
- Hillsborough County – Three exclusive residential franchises. Three firms compete county-wide for commercial collection. Hauler bills commercial customers for collection and disposal.

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## Other Florida Counties Exclusive Commercial Franchises

### ALL

- Commercial and residential franchises tied together
- County pays hauler directly for some portion of service, at least County pays hauler for residential collection.
- Residential franchise is exclusive.

### SOME

- County MSBU bills commercial waste producer and pays hauler
  - Collection & disposal
  - Disposal only
- Hauler bills waste producer directly
- Exclusive geographic areas for commercial
- Commercial competition county-wide

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## Commercial Solid Waste Franchise

- A combined commercial and residential franchise typically offers best value to customers
- Residential Franchises expires April 2010
- Non-Exclusive Commercial Franchises expire September 2006, with annual renewals
- Interim step - prepare an RFP for commercial solid waste franchise
  - Evaluative criteria
  - Billing of customers and payment to hauler
  - Term until April 2010

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### **Multi-Family Residential Waste Collection**

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- ⊛ Currently multi-family homes not part of residential MSBU program
- ⊛ If include multi-family homes in MSBU
  - ⊛ Acknowledges trend for denser development
  - ⊛ Consistent level of service county-wide
  - ⊛ Develop separate collection franchise for multi-family homes and commercial waste collection
  - ⊛ County can be market participant

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### **Model for Combined Multi-Family and Commercial Collection Franchise**

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- ⊛ **Number & Type of Service Areas:** Three exclusive areas, match residential franchises
- ⊛ **MSBU:** Add multi-family homes to residential MSBU (i.e., tax roll billing for apts., condos, town homes)
- ⊛ **County Pay:** Hauler for multi family
- ⊛ **Customer Pay:** Hauler other commercial collection
- ⊛ **Price determined by:** RFP competition
- ⊛ **Evaluative criteria:** Experience, service, and price

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### **Implementation Issues**

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- ⊛ MSBU changes
- ⊛ Ordinance and resolution changes
- ⊛ RFP development and solicitation
- ⊛ Phased approach
  - ⊛ In 2007 separate Multi-Family/Commercial Franchises and Residential Franchises
  - ⊛ In 2010 combined Franchises

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### **Options**

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- ⊛ Continue current system
- ⊛ Implement interim exclusive multi-family and commercial franchises until 2010
- ⊛ Combine all residential and commercial into exclusive franchises in 2010

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