

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: UPDATE ON RESIDENTIAL SOLID WASTE COLLECTION FRANCHISES

DEPARTMENT: Environmental Services DIVISION: Solid Waste Management

AUTHORIZED BY: *[Signature]* CONTACT: *[Signature]* EXT. 2022
Robert G. Adolph, P.E. David Gregory

Agenda Date 07-13-04 Regular Consent Work Session Briefing
Public Hearing – 1:30 Public Hearing – 7:00

MOTION/RECOMMENDATION:

Provide to staff direction on addressing Residential Franchise Agreement Service Area 3. Options include:

- A. Authorize staff to initiate competitive procurement procedures to select a firm to provide residential collection services in Franchise Service Area 3.
- B. Divide Service Area 3 between Waste Management and Florida Recycling Services (Waste Services of Florida) and establish only two Franchise Service Areas.
- C. Allow Republic Services to offer a revised price for continuing to provide service to the County in Service Area 3.
- D. Other direction by the Board of County Commissioners.

BACKGROUND:

At the February 24, 2004 Board of County Commissioners meeting, staff was directed to complete negotiations with the current service providers addressing franchise terms, conditions, and prices; and to bring same back to the Board for approval.

On June 14, 2004, staff met with representatives of the three service providers with the intent of executing the final agreements. Representatives from Waste Management and Florida Recycling Service (Waste Services of Florida) indicated the companies' agreement with the franchise agreement document. A representative of Republic Services indicated that the company could not honor the prices negotiated by the previous general manager of the local hauling operations because the price was "too low." In the negotiations, Republic had been assigned Service Area 3.

The negotiated agreements and prices will allow the County to meet the goal of providing the best service at the best prices. Very competitive prices have been negotiated and the franchise agreement establishes significant penalties for poor performance. Additionally, the agreement

Reviewed by: *[Signature]* 6-24-04
Co Atty: *[Signature]*
DFS: N/A
Other: N/A
DCM: *[Signature]*
CM: *[Signature]*
File No. RESS01

requires franchise holders to deliver all solid waste they collect in the geographic boundaries Seminole County to the landfill or transfer station.

Assuring waste deliveries is very important to maintaining the viability of the County's solid waste management system.

As part of the negotiations, three service areas were identified (as shown in Exhibit A, attached). Service Area 1 was assigned to Waste Management, Service Areas 2 was assigned to Florida Recycling Services (Waste Services of Florida), and Service Area 3 was assigned to Republic Services. Each service area contains approximately 20,000 solid waste customers.

The current franchise agreements expire on December 31, 2004. Several options are available to the County to address residential solid waste collection service starting January 1, 2005, including:

- A. Competitively procure residential collection services for Service Area 3.
- B. Divide Service Area 3 between Waste Management and Florida Recycling Services (Waste Services of Florida) and establish only two Service Areas.
- C. Allow Republic Services to offer a revised price for continuing to provide service to the County in Service Area 3.
- D. Other direction by the Board.

If the Board directs staff to initiate a competitive procurement for Service Area 3, recommendations for approving the new franchise agreements designating Service Area 1 to Waste Management and Service Area 2 to Florida Recycling Services (Waste Services of Florida) can be brought to the Board at an upcoming meeting. Also, Waste Management and Florida Recycling Services (Waste Services of Florida) may be allowed to offer proposals on Service Area 3.

Service Area boundaries are shown in Exhibit A, attached.

Exhibit A

Residential Solid Waste Collection Franchise - Service Boundaries

