

# SEMINOLE COUNTY GOVERNMENT AGENDA MEMORANDUM

**SUBJECT:** Residential Solid Waste Collection in Seminole County

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

**AUTHORIZED BY:**  **CONTACT:**  **EXT.** 2022

Agenda Date 10/28/03    Regular     Consent     Work Session     Briefing   
Public Hearing – 1:30     Public Hearing – 7:00

**MOTION/RECOMMENDATION:**

Provide to staff direction on renegotiating or competitive procurement for the Residential Franchise Agreements that expire on December 31, 2004. Options include:




- A. Renew the agreement with no change in terms, conditions, or prices; or,
- B. Renegotiate new agreements addressing new terms, conditions, and prices with one or more of the current providers; or,
- C. Begin competitive procurement process for next franchise period; or,
- D. Other direction provided by the Board of County Commissioners.

Seminole County's current residential refuse collection franchises expire on December 31, 2004. The residential franchise agreements govern the collection of garbage, yard waste, and recycling from the residents in the unincorporated County. The agreements were last renegotiated in 1999.

The County has three service providers, each collecting refuse in defined service areas. The current franchise agreements allow for the agreements to be renewed without changes by sole action of the County. But, any changes to renegotiated agreements must be made by mutual agreement of both parties. The County must notify the contractors of its intent to renew the franchise agreements by June 30, 2004.

Under the terms of the current franchise agreements, residents are offered four service level options, at varying rates. Seminole County is the only county in the state that offers this varied level of service. Offering such a varied service increases the cost to a majority of collection customers.

Price comparisons with other Florida Counties indicate that other counties pay less than Seminole County for similar residential solid waste collection services. Recently bid prices in the City of Longwood indicate that new

Reviewed by: 10-20-03  
 Co Atty:   
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 Other: \_\_\_\_\_  
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firms have entered the marketplace, proposing lower prices than existing waste haulers.

Assuring that customers receive the best service available is important in any residential refuse collection franchise issued by the County. Information in the attached presentation outlines the performance of the three franchise haulers over the past few years. To ensure that citizens receive exceptional collection services, the current collection franchises' weak penalties for poor performance should be upgraded in any contract renegotiation or competitive procurement process. Options available concerning the residential solid waste collection franchise include:

**A. Renew the agreement with no change in terms, conditions, or prices.** At the Board of County Commissioners' direction, staff can begin efforts to renew the franchise agreements with the current terms, conditions, and prices at the County's sole option as allowed by the franchise agreements.

**B. Renegotiate new agreements addressing new terms, conditions, and prices with one or more of the current providers.** At the Board of County Commissioners' direction, staff can work to negotiate new collection franchise prices, terms, and conditions with the current franchise haulers. Terms to be addressed in a negotiation should include establishing a price-point comparable to neighboring counties, revising the agreement to address performance commitments, establishing penalties for failing to provide good service, and establishing only two service levels: 2,1,1 (2 garbage, 1 yard waste, 1 recycling); and 2,0,1 (2 garbage, no yard waste, 1 recycling) pickups per week.

Staff has initiated discussions with the current residential franchise firms about renewing or renegotiating the franchise agreements. The current service providers were asked to make proposals for continuing the franchises in the County. Information on the price proposals and the rates in other Florida Counties is included in the attached presentation. Formal negotiations may yield higher or lower prices depending on final agreement terms.

The Board of County Commissioners can choose to initiate franchise renegotiations with one or more of the current haulers, and competitively procure the remaining district(s) or change the number of districts. In a negotiation, the boundaries for the franchise areas can be redrawn to provide for equally sized districts that allow more efficient collection routes. The current boundaries of the collection franchises are irregular as a result of industry consolidation over the past ten years. Any changes to the franchise document must be made by mutual agreement of the County and the contractor that will continue to have a franchise from the County.

**C. Begin competitive procurement process for next franchise period.** At the Board of County Commissioners' direction, staff can begin the process to competitively procure the services for the next franchise agreement term. In this case, the current franchises would be allowed to run through the termination date of December 31, 2004. Beginning immediately, staff will develop a Request for Proposals that will focus on providing our customers exemplary collection services with the secondary emphasis being the price for service.

**D. Other direction provided by the Board of County Commissioners.** Staff will initiate any combination of the options presented above or other direction provided by the Board of County Commissioners concerning the residential solid waste collection franchise agreements.

Attached is a presentation outlining solid waste collection issues in Seminole County.

## Residential Solid Waste Management Update



## Overview

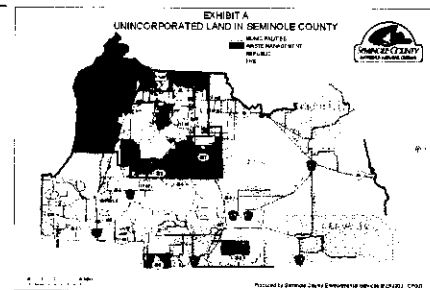
- Residential solid waste collection franchise
- Rate information
- Performance statistics
- Franchise collection goal - *Ensure our customers receive the best service at a competitive price.*

## Residential Refuse Collection Services

Seminole County has three service providers:

- Florida Recycling Services (FRS)
  - 22,452 homes
- Republic Services
  - 19,489 homes
- Waste Management
  - 17,517 homes

## Map of Service Areas



## Current Agreement

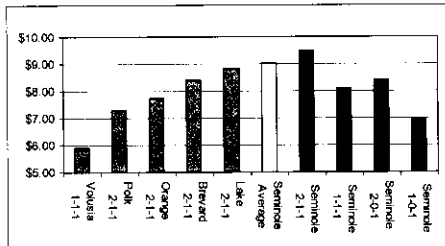
- Expires December 31, 2004
- Currently provide four (4) service choices to customers
- Performance standards need to be reinforced in franchise agreement
- Current agreement needs to be updated to reflect current activities

## 2003 Comparative Rates, collection only

County	Service Level	Rate
SEMINOLE	Four different levels of service	
	70% of customers 2,1,1	\$9.12
	10% of customers 2,0,1	\$7.74
	8% of customers 1,1,1	\$6.63
	11% of customers 1,0,1	\$5.66 (average for all service levels)
Lake	2,1,1	\$8.84
Brevard	2,1,1	\$8.41
Orange	2,1,1	\$7.75
Manatee	2,1,1	\$7.53
Polk	2,1,1	\$7.30
Hillsborough	2,1,1	\$6.70
Volusia	1,1,1	\$5.89

### Rate Comparison, collection only

Average Surrounding Counties v. Seminole County approved rates for 2004

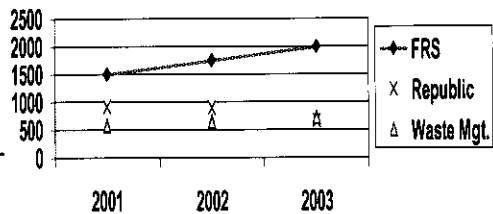


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### Recent Collection Prices Proposed

Company	Rate (\$)	Category	Rate (\$)	Category
Advance	\$7.17			
Waste Pro	\$7.48			
Onyx	\$8.16			
FRS	\$5.64	\$0.49	\$8.49 2,1,1	\$9.38 2,1,1
		\$7.67 2,0,1		\$7.98 2,0,1
Republic	\$8.42	\$8.85	\$9.15 2,1,1	\$9.50 2,1,1
		\$8.00 2,0,1		\$6.09 2,0,1
Waste Management	\$9.45	\$9.31	\$9.79 2,1,1	\$9.64 2,1,1
		\$8.49 2,0,1		\$8.20 2,0,1

### Total Defects In Service



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### FY 2003 Performance

Category	Value	Value	Value
FLORIDA RECYCLING SERVICES	22,441	116	19.4
REPUBLIC	19,538	50	8.9
WASTE MANAGEMENT	17,507	60	11.5

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### Options to ensure our customers receive the best service at a competitive price.

1. Renew the current agreements with no change in terms, conditions, or prices.
2. Renegotiate with one, two, or all three of the current providers
  - Establish price point
  - Revise contract
    - Performance commitment/penalties
    - One or two service levels options
    - District boundaries
3. Initiate competitive procurement for residential service
4. Other direction provided by the Board of County Commissioners

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