

AGENDA ITEM REPORT

DATE: September 19, 2023
DEPARTMENT: Solid Waste
REQUESTER: Douglass Whitehead
TITLE: Award Contract for Solid Waste and Recycling Collection for Service Areas 1 and 2

I. MOTION REQUESTED

A) Waive Procurement Ordinance 22-06, and approve a term contract with Advanced Disposal Services Solid Waste Southeast, Inc. for the collection of solid waste and recycling materials within Service Areas 1 and 2 for an initial term of seven (7) years.
B) Authorize the Chair to execute the contract documents on behalf of the Board of County Commissioners.
C) Grant the County Manager or designee the authority to renew the contract for up to one (1) three (3) year period and to execute all associated documents, as approved in the departments' annual adopted budgets, if doing so is in the best interest of Lee County, and there are no cost increases associated with the renewal, notwithstanding contractual CPI adjustments.

II. ITEM SUMMARY

Approves an agreement to continue the Advanced Disposal Services Southeast, Inc. d.b.a Waste Management franchise to collect all garbage, horticulture, bulk waste, and residential recycling in Areas 1 and 2. Commercial recycling remains open market. The agreement is for a period of seven years beginning October 1, 2023 and includes one three-year mutually-agreed extension.

Franchise Area 1 includes the City of Bonita Springs and Town of Fort Myers Beach. Franchise Area 2 includes Unincorporated Lee County and the Village of Estero.

The first-year cost to Lee County for residential service in Franchise Area 1 is \$18.75 per home each month, or approximately \$6,401,475 per year in total. The first-year cost to Lee County for residential service in Franchise Area 2 is \$19.00 per home each month, or approximately \$5,912,040 per year in total. The rates are subject to an annual adjustment based on CPI.

III. BACKGROUND AND IMPLICATIONS OF ACTION**A) Board Action and Other History**

The Franchise Hauling contracts for Areas 1 and 2 were initiated on October 1, 2010 and subsequently extended on October 10, 2014, April 4, 2017 and June 20, 2020. These contracts are due to expire on September 30, 2024. In accordance with the terms and conditions of the contract extensions to the current contracts for Franchise Areas 1 and 2, Lee County entered into negotiations with the present Contractors, Advanced Disposal Services Southeast Inc. d.b.a. Waste Management (WM).

Area 1 consist of Bonita Beach and Fort Myers Beach, approximately 28,500 homes. Area 2 consists of Western South Fort Myers, including Iona, McGregor corridor, and Captiva, approximately 26,000 homes.

Recent intrastate procurement of solid waste collection services has resulted in prices increases ranging from 33.7% to 193.8%. Pricing analyses conducted by the Solid Waste Rate Consultant and staff found that Lee County benefits from having its current rates in the low 30th percentile for residential services. The budgeted first year cost to Lee County for residential service in Franchise Area 1 represents a 39.19% price increase. The budgeted first year cost to Lee County for residential service in Franchise Area 2 represents a 53.43% price increase. The proposed price increases are lower than RFP increases seen statewide. The proposed cost per home of \$18.75 and \$19.00 remain below statewide mean costs. The rates are subject to an annual adjustment based on CPI.

Lee County's determination that it is in the best interests of the County to waive the requirement for Competitive Procurement pursuant to its authority under Section 3.1 of Lee County Ordinance 20-06 is based on the following findings: Advanced Disposal Services Southeast Inc. d.b.a. Waste Management and Waste Pro of Florida, Inc. are the incumbent Contractors and maintain a high level of skill, expertise, and past successful experience in operating solid waste and recycling collection services, to operate the solid waste collection franchise areas, in accordance with the terms, conditions, and provisions of the Agreements. The recommended cost increase is lower than increases seen in relevant Request for Proposal results. County staff analysis evidenced that the proposed Areas 1 and 2 prices were favorable to the County for both price and the service schedule provided. WM has greatly improved service since acquiring Advanced Disposal in 2021.

B) Policy Issues

Ordinance 11-27 mandating garbage, recycling, and yard waste collection and disposal services.

C) BoCC Goals**D) Analysis**

The recommended contracts grant Advanced Disposal Services Southeast Inc. d.b.a. Waste Management the exclusive franchise to collect all garbage, horticulture, bulk waste, and residential recycling in Franchise Areas 1 and 2, and Waste Pro of Florida, Inc. the exclusive franchise to collect all garbage, horticulture, bulk waste, and residential recycling in Franchise Areas 3 and 5. Each will continue Lee County's practice of providing unlimited residential waste collections. Commercial recycling remains open market and competitive.

E) Options

IV. FINANCIAL INFORMATION

A)	Current year dollar amount of item:	\$9,577,355
B)	Is this item approved in the current budget?	Yes
C)	Is this a revenue or expense item?	Expense
D)	Is this Discretionary or Mandatory?	N/A
E)	Will this item impact future budgets? If yes, please include reasons in III(D) above.	No
F)	Fund: 40100 Program: Solid Waste Project: N/A Account Strings: OB5340440100.503490	
G)	Fund Type?	Enterprise
H)	Comments:	

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

VII. FOLLOW UP

ATTACHMENTS:

Description	Upload Date	Type
Area-1 Franchise Agreement Executed	8/28/2023	Agreement
Area-2 Franchise Agreement Executed	8/28/2023	Agreement

REVIEWERS:

Department	Reviewer	Action	Date
Solid Waste	Tucker, Mary	Approved	9/8/2023 - 12:56 PM
Solid Waste	Whitehead, Douglass	Approved	9/8/2023 - 3:50 PM
Budget Services	Guttery, Angela	Approved	9/11/2023 - 9:41 AM
Budget Services	Winton, Peter	Approved	9/11/2023 - 11:10 AM
County Attorney	Jacob, Michael D.	Approved	9/12/2023 - 8:19 AM
County Manager	Brady, Christine	Approved	9/12/2023 - 8:52 AM