



Legislation Text

File #: 20-4246, Version: 1

ITEM: RESOLUTION NO. R2021-25 (FRANCHISE AGREEMENT BETWEEN WELLINGTON AND FCC ENVIRONMENTAL SERVICES FLORIDA, LLC. FOR SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION SERVICES)

A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL APPROVING A FRANCHISE AGREEMENT BETWEEN WELLINGTON AND FCC ENVIRONMENTAL SERVICES FLORIDA, LLC, FOR THE PROVISION OF SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION SERVICES AND AUTHORIZING THE MAYOR AND CLERK TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

REQUEST: Authorization to execute an Exclusive Franchise Agreement (Agreement) between Wellington and FCC Environmental Services Florida LLC. (FCC) for the collection of the solid waste and recyclable materials generated by the Village's residents and businesses, in an amount of approximately \$7,236,000 annually (i.e., approximately \$5,021,000 for residential services and approximately \$2,215,000 for commercial services), excluding franchise fees (i.e., the Contractor shall pay the Village a franchise fee equal to five (5) percent of the Contractor's gross billings (excluding billings for disposal costs) for any services provided pursuant to the Agreement).

EXPLANATION: The Village currently has a contract with Waste Management Inc. of Florida for the collection of the solid waste and recyclable materials that are generated by Village residents and businesses. The Village's existing contract will expire on December 29, 2021.

The Village issued a Request for Proposals (RFP#202108) from all qualified firms willing to collect the Village's solid waste and recyclable materials after December 29, 2021. The Village received proposals from four (4) vendors. The vendors' proposed residential rates are summarized below:

Vendor	Residential Single Family Monthly Rate	Residential Multi-Family Monthly Rate
FCC Environmental Services Florida	\$17.60	\$12.49
Waste Pro of Florida, Inc.	\$22.22	\$16.67
Coastal Waste and Recycling	\$26.76	\$12.00
Waste Management Inc. of Florida	\$31.95	\$16.86

The Village's Selection Committee reviewed and evaluated the proposals based on the criteria contained in the RFP. The Selection Committee concluded that FCC submitted the best proposal.

The Village's RFP included a draft Exclusive Franchise Agreement, which contains the contractual requirements that will govern the work to be performed by FCC. The Agreement has been updated based on the addenda that were issued during the RFP process.

Staff compared the prices in the Village's current contract and the prices that FCC offered in its proposal. Staff

estimates that the Village residents and businesses will see an annual increase of approximately \$793,994 under FCC's proposed prices. The following table compares the annual costs that residents and businesses would pay during the fiscal year beginning on October 1, 2021 under the existing agreement and under FCC's proposed agreement.

Service Type	Oct. 1, 2021-Cost Under Existing Agreement	Dec. 29, 2021- Cost under New Proposed Agreement	Annual Increase
Residential Collection	\$4,284,463	\$5,021,347	\$736,884
Commercial Collection	\$2,157,321	\$2,214,431	\$57,110
Totals	\$6,441,784	\$7,235,778	\$793,994

*Totals are based on 24,311 residential units and 16,360 commercial units.

Staff recommends awarding the Agreement to FCC, with the commencement of service on December 30, 2021. The initial term of the Agreement (approximately ten (10) years) will expire on September 30, 2031. The Agreement may be renewed once for an additional five (5) years.

FCC's overall prices were the lowest offered to the Village. In order to ensure competitive pricing, staff researched the ten (10) most recent solicitations for solid waste and recycling services in the South Florida area, which had a monthly average rate of \$23.00 per residential unit (\$5.40 higher than the proposed rate from FCC). The average residential curbside collection monthly cost per dwelling unit will increase 17% or by approximately \$2.62, from \$14.98 to \$17.60 per household per month.

BUDGET AMENDMENT REQUIRED: NO

PUBLIC HEARING: NO **QUASI-JUDICIAL:**

FIRST READING: **SECOND READING:**

LEGAL SUFFICIENCY: YES

FISCAL IMPACT: Funds for this agreement will be budgeted in the proposed FY 2021/2022 budget.

WELLINGTON FUNDAMENTAL: Responsive Government

RECOMMENDATION: Authorization to execute an Exclusive Franchise Agreement (Agreement) between Wellington and FCC Environmental Services Florida LLC. (FCC) for the collection of the solid waste and recyclable materials generated by the Village's residents and businesses, in an amount of approximately \$7,236,000 annually (i.e., approximately \$5,021,000 for residential services and approximately \$2,215,000 for commercial services), excluding franchise fees (i.e., the Contractor shall pay the Village a franchise fee equal to five (5) percent of the Contractor's gross billings (excluding billings for disposal costs) for any services provided pursuant to the Agreement).