



Legislation Details (With Text)

File #: 21-540 **Version:** 1 **Name:**

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On agenda: 8/24/2021 **Final action:**

Title: Staff recommends the approval on First Reading an Ordinance adopting the proposed solid waste contract/franchise with Waste Management Inc. of Florida to provide residential and commercial solid waste services within the incorporated city limits of the City of Cocoa. Authorize the Mayor, City Manager, and City Attorney to execute all documentation needed to implement the proposed contract. (Public Works Director)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance - Establishing Solid Waste Contract and Rates.pdf, 2. Ordinance - Exhibit A - Solid Waste Agreement FINAL Eff 10-1-21.pdf, 3. Ordinance - Exhibit B - Customer Rates with Admin Fees.pdf, 4. Service Area Map (Res Garbage Only).pdf

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

CITY COUNCIL AGENDA ITEM

Memo Date: August 3, 2021
Agenda Date: August 24, 2021
Prepared By: Bryant Smith III, P.E., CFM, Public Works Director/City Engineer
Through: Bryant Smith III, P.E., CFM, Public Works Director/City Engineer
Requested Action:

Staff recommends the approval on First Reading an Ordinance adopting the proposed solid waste contract/franchise with Waste Management Inc. of Florida to provide residential and commercial solid waste services within the incorporated city limits of the City of Cocoa. Authorize the Mayor, City Manager, and City Attorney to execute all documentation needed to implement the proposed contract.

BACKGROUND:

Article XV of the City Charter requires that franchise agreements be adopted by Ordinance, and the current solid waste franchise is substantially incorporated into Section 9-21 and 9-22 of the City Code. The proposed Ordinance adopts a new solid waste franchise agreement/franchise with Waste Management, Inc. and will replace similar provisions currently incorporated into the City Code.

The City of Cocoa currently provides solid waste services through an existing franchise agreement (agreement) with Waste Management Inc. of Florida (Waste Management). The current agreement began in 2006 and was renewed for its first renewal in 2011 and final five-year renewal in 2016. The expiration date of this agreement is September 30, 2021. At the February 23, 2021, City Council meeting, the City Council directed staff to negotiate a new contract with Waste Management, the

City’s current solid waste contractor. As part of these negotiations, the City Council requested for the residential rate between Waste Management and the City to not exceed \$17.50. The negotiated residential rate between the City and Waste Management was negotiated to \$15.93, meeting the not-to-exceed requirement set forth by the City Council. The City administers the solid waste contract which includes a combination of billing, contract management, receiving and routing concerns and complaints, as well as other administrative services. These administrative services result in an administrative fee that is included within the customer rate, along with a franchise fee as stated in the agreement. Below is a table showing a breakdown of the proposed customer rates, after the fees are incorporated in the cost of service.

| | Monthly Rates | | | |
|-------------------|---------------|----------|---------------|------------------|
| | Current | Proposed | Cost Increase | Percent Increase |
| Residential | \$16.79 | \$20.25 | \$3.46 | 20.61% |
| Commercial Can | \$32.45 | \$43.12 | \$10.67 | 32.88% |
| Dumpster (per CY) | \$24.60 | \$31.88 | \$7.28 | 29.61% |

*CY Rate represents a 2 yd dumpster. Fees vary based on dumpster size.

The existing agreement provides the following services:

- Residential and Multiple Dwelling Unit collection and disposal services
 - Household Trash and Garbage twice a week (Monday & Thursday or Tuesday & Friday)
 - Single Stream Recycling once per week (Thursday or Tuesday)
 - Vegetative Waste once per week (Friday or Monday)
 - Bulk Trash and Vegetative Waste as requested by the account holder
 - “Back-Door” service for medically disabled customers
- Commercial Collection and Disposal Services
 - Commercial Trash and Garbage twice per week
 - At an additional fee: Vegetative Waste and Recycling
- City Controlled Property Collection
 - Trash and Garbage twice a week
 - Single Stream Recycling once per week
 - Vegetative Waste once per week
 - Bulk Trash and Vegetative Waste as needed
- Dumpster Service
 - Various Size and Frequency Collection determined by the Waste Management and Account Holder
 - Roll-off/Open Top Container Pull
 - Compactor Pulls

The new agreement will mirror the current services being provided in the existing agreement. The notable changes in the proposed contract are:

- A third solid waste route will take place on Wednesdays and Saturdays for residential service. This will change pickup days for some existing customers. A map is provided as Exhibit B of this agenda item showing the areas. The additional route is required to keep the rates within the recommended increase. Maintaining the current routes would require additional equipment purchases for the contractor and result in rates much higher than the proposed increase.
- Waste Management will have the ability to charge non-compliant businesses with overloaded dumpsters an extra pickup fee after two overages are recorded in a calendar year.
- The basis for Consumer Price Index (CPI) adjustments will be adjusted from the All Urban CPI plus Fuel/Oil Index to the Garbage and Trash (G&T), Series ID CUUR0000SEHG02, (Dec 2003=100) Index with a 3% maximum adjustment per calendar year. The G&T Index has trended between approximately 1.5% and 5% over the last five years.
- All new multiple dwelling unit properties will be treated as commercial properties as it relates to the billing for solid waste services. Existing multiple dwelling unit properties may remain with the same billing structure or elect to transition into a commercial-style billing. The main difference between the new and existing multiple dwelling unit billing is that new properties would be required to utilize dumpster service and pay additional fees related to green waste service. This transition would be subject to City Code requirements for the placement and screening of dumpsters.
- Bulk residential green waste pickups (exceeding three cubic yards) are to be requested through the City of Cocoa Public Works Department. The City will track and transmit these requests to Waste Management for service.
- The agreement will be for a seven-year base term with future extensions to be negotiated upon mutual agreement of each party.

STRATEGIC PLAN CONNECTION:

Improve the City’s Image through the removal of unsightly graffiti and waste accumulation.

BUDGETARY IMPACT:

| | |
|--|-----|
| Budgeted | Yes |
| If not budgeted, is amendment/transfer attached? | N/A |

PREVIOUS ACTION:

City Council directed staff to proceed with a new solid waste franchise agreement with Waste Management Inc. of Florida for solid waste services for customers within the incorporated City of

Cocoa at the February 23, 2021, City Council Meeting.

City Council directed staff to continue negotiations for a two-week period with Waste Management for solid waste services at the February 9, 2021, City Council Meeting.

RECOMMENDED MOTION:

Staff recommends the approval on First Reading an Ordinance approving the proposed solid waste contract/franchise with Waste Management Inc. of Florida to provide residential and commercial solid waste services within the incorporated city limits of the City of Cocoa. Authorize the Mayor, City Manager, and City Attorney to execute all documentation needed to implement the proposed contract.