



## AGENDA MEMORANDUM

*Utilities Department*

Regular Meeting Date: November 4, 2020

**To:** City Council  
**From:** Robert Middleton, Utilities Director  
**Date:** October 14, 2020

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Legislative  Quasi-Judicial

**SUBJECT:**

Approve an agreement with Single Stream Recyclers to provide processing services for recycle material collected annually by the City of Naples.

**SUMMARY:**

City Council is asked to approve a three-year (3) agreement with Single Stream Recyclers of Sarasota, Florida to provide processing services for recycle material collected by City crews in an annual amount limited to the adopted budgets approved by City Council; FY 2020-21 annual cost estimates for these services are expected to be \$185,600 based on current market conditions for recycle material and 3,200 tons of material being collected. The agreement will also include two (2) one-year renewal options contingent upon agreement by both the City and Single Stream Recyclers.

City Council is also asked to waive formal bid requirements as authorized by the City of Naples Procurement Code; Section 2-666 Exemptions, Paragraph (10) when considering the best interest of the City. Staff did consider the public bid process for this operation. With limited processing facilities available to our area, less than favorable markets for recycle material, and limited time to secure longer term material processing options, it is staff's opinion that public bidding for this service will result with limited responses that may not be in the best interest of the City.

**BACKGROUND:**

As part of the annual services provided by the City's Solid Waste Division, the City provides once-a-week curbside collection and disposal services for recycle material. This service is provided for residential single-family and multi-family units. Revenue for this service is funded through Solid Waste user fees.

The City began disposing single stream (comingled) recycle material at the Lee County Material Recycle Facility (MRF) in 2010. On September 21, 2018, the Lee County Solid Waste Department notified the City that they would no longer accept the City's recyclable material for processing as of October 1, 2020. On March 4, 2020, Lee County provided a written notice constituting their termination of the Interlocal Agreement that was entered into by the City of Naples and the Lee County Board of County Commissioners on September 28, 2010. After discussions with Lee County, staff was able to negotiate an amendment to the Interlocal Agreement that allowed the City to continue to haul and process recycle material at the Lee

*Ethics above all else... Service to others before self... Quality in all that we do.*

County MRF through March 31, 2021; City Council approved this amendment on June 17, 2020. This amendment was intended to provide additional time for City staff to secure a processing facility and coordinate any hauling services that may be required as a result of this operational change.

During FY 2019-20, Kessler Consulting, Inc. (KCI) was contracted to provide a Solid Waste Rate Study update and provide consulting services for long-term planning initiatives for the future of the City's recycle operations. More specifically, their scope of services included assistance to evaluate alternatives for the processing of the City's recycle material. Through their evaluation efforts, it was determined that there are only three MRF's located within 150 miles of the City capable of providing this recycle processing service; Lee County, Single Stream Recyclers (SSR) of Sarasota and Waste Management. KCI obtained proposals from Waste Management and SSR. SSR provided the most reasonable cost per ton for processing recycle material; the proposals received did not include hauling costs.

On June 15, 2020, based on KCI's findings, City Council provided consensus for City staff to waive the competitive bid process and proceed with contract negotiations with SSR in order to make provisions for the future of the City's recycle material. Staff has reached an agreement with SSR and is recommending City Council to approve the agreement.

At this time, subcontracted hauling services to transport recycle material to SSR has not been contracted. Staff will publicly bid the hauling services upon City Council's approval of the processing agreement.

In the future, staff will consider public bidding for the processing service as additional processing facilities become available and when recycle material markets rebound. During the interim, the City of Naples Procurement Code provides that competitive bids may be waived. Section 2-666(10) – "Exemptions" of the City Code does provide exemptions for competitive bids or proposals when considering the best interest of the City.

City Code reference:

*"(10) When the nature of the purchase or service is considered to be in the best interest of the city as determined by the awarding authority as provided in this division."*

**FUNDING SOURCE:**

Funds for recycle material processing has been allocated in the FY 2020-21 Budget in the Solid Waste Fund in the amount of \$258,400.

**MASTER PLAN/CAPITAL IMPROVEMENT PROJECT:**

Vision Goal: Maintain and Enhance Governance by maintaining a recycle collection and disposal program to reduce impacts to the County landfill.

**RECOMMENDED ACTION:**

Waive the formal bid requirement and approve the Agreement with Single Stream Recyclers to provide processing services for recycle material collected by City crews in the annual amount limited to the adopted budgets approved by City Council and authorize the City Manager to execute the Agreement.