

Solid Waste Hauler Commercial Franchise Hauler Presentation

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Update

November 9, 2022,

Direction from the July 29, 2022, Meeting

- 1. Committee requested Administration continue to explore Non-Exclusive Agreements.***
- 2. Continue Discussions with Waste Hauler Community.***
- 3. Review other Non-Exclusive Agreements for possible Pricing Controls.***
- 4. Consider Price Caps for Multi-Family of 8 to 25 Units.***
- 5. Explore Commercial Broker Regulations (Recommend Addressing this Separately)***

Waste Hauler Roundtable

- ***Held on August 26, 2022***
- ***Attended by City Staff, MSW, Inc. and Waste Haulers***
 - ***Waste Management (Franchisee)***
 - ***Waste Connections (Franchisee)***
 - ***Ojito Waste***
 - ***Great Waste & Recycling***
 - ***Coastal Waste & Recycling***
 - ***Waste Pro***

Summary of Discussions with Waste Haulers

- ***Type of Agreement; Exclusive vs. Non-Exclusive (NE)***
 - *Haulers agreed that NE model is better suited for Miami Beach*
- ***Number of Franchises***
 - *Minimum of 2 but City should consider at least 3*
 - *Ordinance allows for a maximum of 5*
- ***Pricing Considerations***
 - *Costs in Miami Beach tend to be higher due to traffic, in-kind services, financial contributions, service time restrictions.*
 - *Cost increases in fuel, materials and shortage of commercial drivers and delays in fleet equipment due to supply chain issues.*

Research other NE Agreements for Possible Pricing Controls

- ***Eight NE Agreements in Florida***
 - *Boca Raton, Doral, Gainesville, Hialeah, Jacksonville, Margate, Miami and West Palm Beach*
- ***Five NE Agreements Nationwide***
 - *Austin, TX; Denver, CO; Pasadena, Sacramento & Los Angeles, CA*
- ***Analysis***
 - *No published rate schedules in NE Agreements; price is established dynamically by the market.*
 - *Language in agreements states that pricing will be negotiated between Generator (Customer) and Hauler.*
 - *Some municipalities have strict reporting requirements.*

Research other NE Agreements for Possible Pricing Controls (Contd.)

- **Reporting Requirements**

- *Section 11 of the City's NE Agreement – “Franchisee shall keep accurate set of books....reflecting Gross Receipts”. However, the City does require periodic reporting.*

	Miami Beach	Austin	Denver	Pasadena	Sacramento County
Periodic Reporting	No	Yes	Yes	Yes	Yes
Reporting Frequency	NA	Quarterly	Quarterly	Monthly	Quarterly
Customer Reporting	No				
Reporting Process	NA	Mail/E-mail	Online Tool	Mail	Online Tool

Recommendations

- **Type of Agreement: Procure Non-Exclusive Franchises**
- **Number of Franchises: Minimum of Two, Maximum of Three**
 - *Recommend that the third Franchisee be awarded to a locally owned/private company.*
 - *Recommend that companies that are awarded franchise do not merge with another franchisee.*
- **Strengthen Reporting requirements**
 - *Submit quarterly reports to the City*
 - *Information to include no. of accounts served, tonnage of material by source type, vehicle information, etc.*
- **Conduct Audits**
 - *Section 11 allows for the City to conduct audits*
 - *Audits can identify variability in the rates, but City will not be able to impose changes to rates under the Franchise Agreement model.*

Comments / Questions ?

