

Exhibit A
MSW Presentation at April 29, 2022 FERC Meeting

Commercial Solid Waste Services Franchise Agreement

Miami Beach City Commission
Finance & Economic Resiliency
Committee

April 29, 2022

MIAMIBEACH



Midatlantic Solid Waste (MSW) Consultants

- **Founded in 2004**
- **Headquartered in Orlando with offices in Pennsylvania & Maryland**
- **Key Practice Areas:**

- Solid waste system planning
- Material stream characterization
- Collection and facility operations
- Recycling program optimization
- Solid waste user fee and rate studies
- Procurement and contracting support



Project Overview:

- MSW Consultants engaged by City in November 2021 to support 2022 re-bid of commercial solid waste franchise services. Key project tasks include:



Miami Beach Solid Waste & Recycling Services Overview:

Residential up to 8 Units = ~6,700 Households

- Includes single-family homes and residential structures up to 8 dwelling units
- 2x week garbage; weekly yard trash; scheduled bulk (Waste Connections)
- Weekly recycling (Coastal Waste & Recycling – through Miami-Dade County)
- Drop-off services for bulk, yard trash, e-waste, etc.



Commercial, incl. Multi-family 8+ units = ~2,300 properties. Collection services from:

- Dumpsters
- Compactors
- Roll-out carts

Commercial and multi-family properties contract directly with haulers for service



Miami Beach Commercial Solid Waste Service Providers:

- Waste Management:
 - **61% of market share**
 - ~1,400 properties or accounts



- Waste Connections:
 - **39% of market share**
 - ~900 properties or accounts



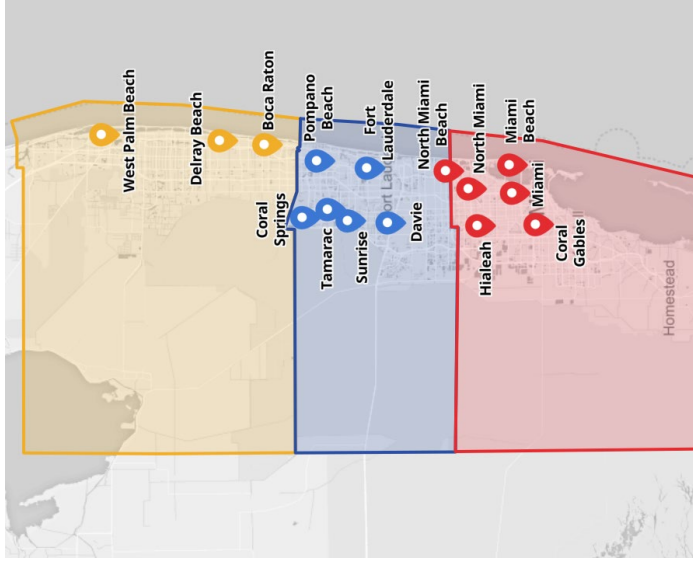
WASTE CONNECTIONS, INC.

Contract Terms & Selected Special Services:

- **Contract terms:**
 - Contracts initiated in October 2014
 - Price is negotiated between haulers and customers; City is not involved in setting fee structure.
 - 3-year extensions in September 2019
 - Contracts expire September 30, 2022
 - Staff to seek month-to-month extensions to September 30, 2023, to facilitate procurement process
- **In-kind services:**
 - Collections at 30+ City facilities
 - Public litter/recycling can collections (approx. 1000 containers) & special events collections containers
- **Other funding support:**
 - \$400,000 for illegal dumping programs
 - \$90,000 for environmental education
 - \$60,000 for 4 Household Hazardous Waste events
 - \$25,000 for environmental programs

Benchmarking:

- Researched cities in:
 - Miami-Dade County
 - Broward County
 - Palm Beach County
- Evaluated contracts and pricing for 10 cities



Solid Waste Management System Approaches:



Open Market

- Allows for larger number of companies to compete
- Solid waste generators hire their own hauler

Non-Exclusive

- Can permit multiple franchisees who compete for service
- Can be organized by geographic area
- **Current Miami Beach system**

Exclusive

- Franchisee is only service provider and has exclusive “right” to provide service

Commercial Collection System Organization in Other Cities

City	County	Population	Form of Regulation
Boca Raton	Palm Beach	97,422	Non-Exclusive Franchise
Coral Gables	Miami-Dade	49,248	Exclusive Franchise
Coral Springs	Broward	134,394	Exclusive Franchise
Davie	Broward	105,691	Exclusive Franchise
Delray Beach	Palm Beach	66,846	Exclusive Franchise
Hialeah	Miami-Dade	223,109	Open Market
Miami	Miami-Dade	442,241	Open Market
Miami Beach	Miami-Dade	82,890	Non-Exclusive Franchise
North Miami	Miami-Dade	60,191	Exclusive Franchise
North Miami Beach	Miami-Dade	43,676	Exclusive Franchise
Pompano Beach	Broward	112,046	Exclusive Franchise
Sunrise	Broward	97,335	Exclusive Franchise
Tamarac	Broward	71,897	Exclusive Franchise
West Palm Beach	Palm Beach	117,415	Non-Exclusive Franchise

Blue = Contracts and rates analyzed

Standard Commercial Container Rate Matrix

- Pricing matrix is best practice in commercial solid waste services contracting
- Provides transparent framework for how services will be priced

Container Type	Container Size	Pickups Per Week				
		1x	2x	3x	4x	5x
Dumpster	2 yd	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Dumpster	3 yd	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Dumpster	4 yd	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Dumpster	6 yd	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Dumpster	8 yd	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____

Comparing Commercial Container & Compactor Rates



Commercial Containers

City	Requires Standard Commercial Container Pricing?
Coral Gables	Yes
Coral Springs	Yes
Davie	No
Delray Beach	No
North Miami	Yes
North Miami Beach	Yes
Pompano Beach	Yes
Sunrise	Yes
Tamarac	No
West Palm Beach	Yes

7/10 require haulers to use standard rate matrix

Commercial Compactor

City	\$ Charge	Disposal Included?
Coral Gables	\$514	No
Coral Springs	\$442	No
Davie	\$275	No
Delray Beach	\$266	No
North Miami	\$235 - \$378	Yes
North Miami Beach	\$513 - \$719	Yes
Pompano Beach	\$337 - \$569	No
Sunrise	\$262	No
Tamarac	\$320	No
West Palm Beach	N/A	N/A

Compactor pricing consistent with industry-standard but rates vary widely

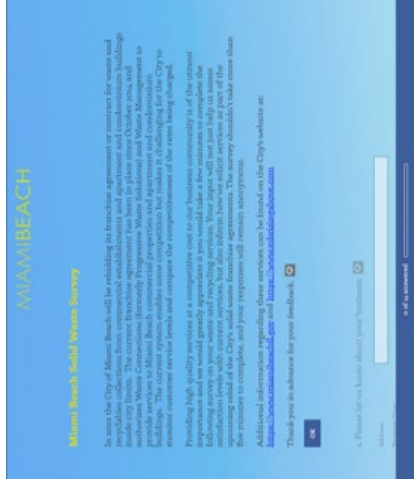
Comparing City Multi-Family Service Approaches

- Four profiled cities include multi-family dwellings as separate customer class
- Rates per-household:
 - Delray Beach (\$6.05/month)
 - North Miami Beach (\$14.79/month)
 - Pompano Beach (\$16.44/month)
 - Tamarac (\$5.12/month)
- Six cities treat multi-family properties similar to commercial establishments
 - Coral Gables
 - Coral Springs
 - Davie
 - North Miami
 - Sunrise
 - West Palm Beach

Business Outreach:

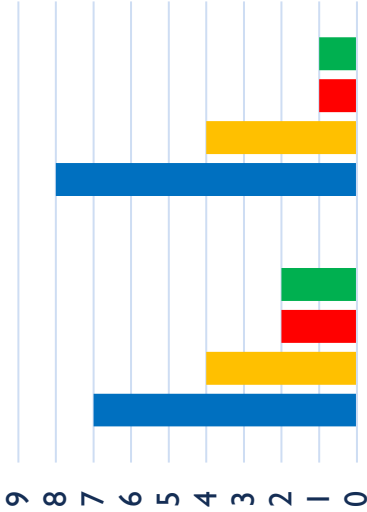
- MSW Consultants developed 14-question survey to gather feedback on MF/C garbage and recycling services
- Request was for survey to be distributed to members

- Organizations contacted:
 - Lincoln Road BID
 - Washington Avenue BID
 - Ocean Drive Association
 - Normandy Fountain Business Association
 - Miami Beach Chamber of Commerce
 - Florida Restaurant & Lodging Association (Miami-Dade County chapter)
 - Miami Quality Management (property management firm)
- Only 15 property or business owner respondents
- Total potential audience of 1,500+

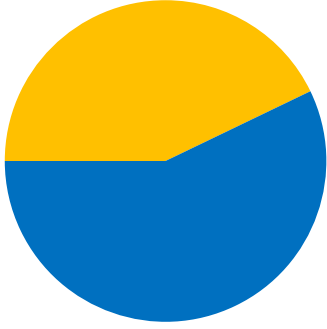


Survey Responses:

Existing Service Quality & Cost?



What is Most Important?



- High-Quality Service
- Getting Lowest Price
- Ability to Select Hauler

- Poor
- Average
- Good
- Great

Business Outreach: Qualitative Input

- Improve quality of service, including collection consistency
- Improve hauler accountability
- Add clarity to hauler to property contract pricing, including special charges
- Decrease traffic and the number of trucks on the street
- Increase uniformity (i.e., more standard dumpsters and carts)
- City support for contractor customer service, enforcement, contract disputes

Rate Analysis - Multi-Family :

- MSW Consultants obtained pricing information and hauler invoices from property management firm
- 15 properties total; range in size from 6 to 21 dwelling units
- Analyzed hauler invoices from 15 properties to review:
 - Service levels (garbage & recycling)
 - Container types
 - Charges and fees (including by type)
 - Costs
 - ✕ Per service
 - ✕ Per household
 - Service capacity
 - ✕ Garbage
 - ✕ Recycling



Rate Analysis Multi-Family:

- Rates for garbage and recycling vary widely
- Many invoices include supplemental charges:
 - Environmental
 - Administrative
 - Regulatory cost recovery
 - Fuel charges
- Inconsistency in garbage and recycling capacity per HH
 - Low capacity in the form of smaller containers or fewer pickups can lead to container overflow or disposal of recyclables

Garbage	Low	High	Average
Cost/Month/Cubic Yard	\$20.05	\$79.26	\$44.69
Cost/Month/HH	\$22.64	\$85.38	\$43.27
Weekly Capacity (in Lbs. per HH)	6.8	40.7	23.6

Recycling	Low	High	Average
Cost/Month/Cubic Yard	\$25.82	\$91.99	\$50.40
Cost/Month/HH	\$5.88	\$24.89	\$11.02
Weekly Capacity (in Lbs. per HH)	1.82	5.10	2.6

New franchise agreement should establish capacity standards

Commercial Procurement Support

- Issue competitive procurement for commercial services only
- Change from non-exclusive system to exclusive system
 - Commercial recycling must remain open-market, but exclusive hauler can still provide services
- Sanitation Division to assume greater responsibility for contractor management, customer service, and invoicing
- MSW Consultants to draft procurement documents and assist with evaluations



Dumpsters



Compactors



Carts

Pros & Cons of Exclusive Collection:



Pro

- ✔ Procurement process allows for competitive pricing
- ✔ Prices should decrease for most businesses
- ✔ Improved service level and pricing transparency
- ✔ Improved operational efficiencies & economies of scale
- ✔ Streamlined contract management and oversight
- ✔ Improved hauler accountability
- ✔ Less truck traffic on streets
- ✔ Fewer GHG emissions

Con

- ✘ Limited customer choice
- ✘ Some rates may increase
- ✘ Perceived reduction in market competitiveness

Potential Bidding Market:

South Florida Municipal Contracts



Waste Management



Waste Connections

WASTE CONNECTIONS, INC.



Republic Services



Coastal Waste & Recycling



Waste Pro



FCC Environmental Services

Other Potential Market Entrants



GFL Environmental



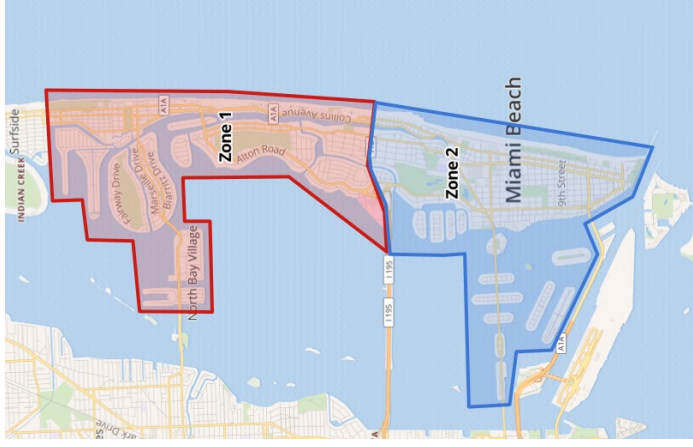
JJ's Waste & Recycling

Summary of Recommendations:

- ☑ **Authorize staff** to procure commercial solid waste franchise services under an **exclusive franchise system**
- ☑ **Authorize staff to negotiate month-to-month extensions not to exceed 12 months** with Waste Management and Waste Connections to allow for procurement process to move forward

Other Options:

1. Revert to open-market for commercial collections:
 - a. City could license haulers
2. Maintain status quo approach with 2 non-exclusive haulers





Thank You & Questions



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