



## THE CITY OF KEY WEST

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# EXECUTIVE SUMMARY

**TO:** Bogdan Vitas, City Manager  
E. David Fernandez, Asst. City Manager - Operations

**FROM:** Jay Gewin, Utilities Manager

**DATE:** March 4, 2013

**RE:** **Approval of Task Order # 2 from Kessler Consulting, Inc. to Develop a Solid Waste Services Procurement in the Amount of \$40,000.**

### **ACTION STATEMENT:**

This resolution will approve task order # 2 from Kessler Consulting, Inc. in the amount of \$40,000 to develop an RFP for a new contract for solid waste/recycling/yard waste collection for residential and commercial customers, and the hauling and processing of recyclables and yard waste.

The agreement will be executed pursuant to F.S. 287.055 (CCNA), City Code 2-841, and the City's contract with Kessler Consulting, Inc. approved by Resolution # 10-186.

### **BACKGROUND:**

The City Commission issued a task order for Kessler Consulting, Inc. to develop a Solid Waste Master Plan for the City of Key West (Resolution 10-276). The City Commission approved the Master Plan's policy statement, and directed staff to implement the plan's Phase I Recommendations via Resolution 12-253.

The City has an existing contract with Waste Management for a franchise agreement to provide curbside collection of solid waste and recyclables for residents and businesses. This contract also regulates the hauling and processing of recyclables.

This contract originally began on January 1, 2000 for five years, with two additional five-year options allowable if approved by both Waste Management and the City. We are currently over three years into the final five-year option,

*Key to the Caribbean – Average yearly temperature 77° F.*

MEMORANDUM

meaning that there are less 20 months remaining before the contract's expiration date. The City Commission approved amendments to the existing contract via Resolution 12-360 and Resolution 13-051, which also directed City Staff to prepare RFP documents for the development of a new contract for solid waste/recycling/yard waste services.

## **PURPOSE AND JUSTIFICATION**

The RFP should be issued at least 8 months prior to the contract's expiration because if the Commission chooses a new provider, that company would need several months to procure vehicles and equipment to be prepared to operate. Additionally, they would need time to hire a staff, establish a route schedule, and open an office.

This task order includes the following services:

- 1) **RFP Development:** Kessler Consulting will draft a RFP and contract based on the City's objectives as described in the Solid Waste Master Plan utilizing their extensive knowledge in the Florida solid waste market.
- 2) **Pre-proposal Meeting and Addenda Preparation:** Kessler will conduct the pre-bid meeting and will provide technical assistance to prospective bidders and draft addenda as needed during the RFP process.
- 3) **Proposal Review:** Kessler will assist the evaluation committee with technical information, comparative price analysis, ensure minimum qualifications are met, and evaluate submittals to provide a recommendation to the City for award.
- 4) **Contract Negotiation:** Kessler will assist the City in negotiating any changes to the draft contract that will be part of the RFP.

The City does not have the staff available with the technical expertise and time available to perform this work independently. Staff has reviewed this submittal and found it consistent with the hourly rates established in the City's contract extension with Kessler Consulting.

Further, Staff does not feel that the hours that will be billed under this task order are disproportionately allotted to higher-wage management staff. In fact, the Project Director only accounts for approximately 12% of the hours allotted in this task order.

The task order also includes Kessler Consulting's staff's trips to Key West over the course of the project. City staff feels that this number of trips, and the associated costs, are reasonable to assure that the consultant staff has sufficient oversight for the completion of the project.

## **OPTIONS / ADVANTAGES / DISADVANTAGES:**

1. The City Commission can decline this task order. This option is not recommended by staff, as the City will need to be prepared to issue an RFP for our curbside solid waste/recycling/yard waste residential and commercial franchise contract well before its expiration. City Staff was directed to promptly have an RFP prepared by the City Commission.

2. The City Commission can approve this task order from Kessler Consulting, Inc. Kessler Consulting offers a tremendous amount of expertise in solid waste and recycling that the City can utilize to generate a RFP for curbside solid waste/recycling/yard waste that will create a service contract that will help increase our recycling rate.

**FINANCIAL IMPACT:**

The task order cost of \$40,000 will be funded through budget line item 403-3401-534-31. The City budgeted \$105,000 for solid waste consulting services in the FY 2013 budget. A task order to develop the RFP was planned to be a majority of this budgeted line item.

**RECOMMENDATION:**

Staff recommends that the City Commission select option 2, the approval of Task Order # 2 from Kessler Consulting, Inc. for the creation of a Strategic Solid Waste Management Plan.