

Memorandum



Date: February 19, 2008

To: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: Recommendation to Award Curbside Recycling Program– Collection and Carts Components

Agenda Item No:
12(B)4

Curbside Recycling Collection Services

On November 8, 2007, the Board of County Commissioners directed staff to issue a request for new pricing for curbside recycling collection services to five vendors: Waste Pro of Florida, Inc., Waste Management Inc. of Florida, Waste Services of Florida, Inc., World Waste Services, Inc., and Choice Environmental Services of Broward, Inc. Specifically, the Board directed that pricing would be sought for three distinct zones; the maximum price offer for each zone would be capped at \$1.97 per household; a single vendor could only be awarded up to two zones; and Local Preference would be applied.

Based on the responses received (Attachment A) to this Board-directed re-solicitation, staff evaluated the responses in two ways, as non-contiguous and contiguous options. The contiguous option, which is operationally better, includes having World Waste Services, Inc. perform the service in the North and Central Zones to at a “per household” price of \$1.92, and Waste Services of Florida, Inc. in the South Zone to at a “per household” price of \$1.965. The non-contiguous option is based solely on price. As illustrated below, the minimal yearly savings achieved in the non-contiguous option (\$844.62 or 0.01 percent), does not nearly compare to the operational and administrative efficiencies that could be achieved through the contiguous option.

	Non-Contiguous Option			Contiguous Option		
North Zone: 113,537 households	World Waste, Inc.	\$1.920	\$2,615,892.48	World Waste, Inc.	\$1.920	\$2,615,892.48
Central Zone: 106,600 households	Waste Services, Inc.	\$1.925	\$2,462,460.00	World Waste, Inc.	\$1.920	\$2,456,064.00
South Zone: 120,677 households	World Waste, Inc.	\$1.960	\$2,838,323.04	Waste Services, Inc.	\$1.965	\$2,845,563.66
	Total		\$7,915,675.52		Total	\$7,917,520.14
				Annual Difference		\$844.62

Recycling Carts

Also, on November 8, 2007, the Board directed staff to issue a new Invitation to Bid (ITB) for curbside recycling program carts. Pricing of four options was requested as follows: carts with bar codes, carts with graphic instructions, carts with both bar codes and graphic instructions, and plain carts. The results are provided in Attachment B. The apparent low bidder, Puryear, Inc. and the second low bidder, Otto Environmental Systems N.A., Inc. were the subject of a responsibility review resulting

from a December 7, 2007 letter received from Otto (Attachment C) which raised a presumption of collusion. This has caused some delays in reporting information back to the Board. Both companies were invited to meetings with representatives of the County Attorney's Office and Department of Procurement Management to allow them to rebut the presumption of collusion.

Puryear representatives attended two meetings: one to confirm the company's capacity to perform the work as specified in the solicitation document, and the second to allow the firm to respond to the presumption of collusion. Following four attempts to schedule a responsibility meeting, staff met with an Otto representative on January 14, 2008. The presumption of collusion was addressed and affidavits were submitted by four Otto representatives, including Chief Executive Officer Steve Stradtman (Attachment D).

The Puryear's amount is \$16,367,750 for the fully loaded cart (cart with graphic instructions and a bar code). This is \$543,300 more than the original October 11, 2007 offer from Toter, Inc. for the same fully loaded cart. Toter continues to hold its price offer from the previous open and competitive ITB process. Additional compliance information is provided in Attachment E for the Board's consideration.

Conclusion

While the outcome of the Board directed process is detailed above, my strong recommendation remains to award the contract for curbside recycling collection services to Waste Pro of Florida, Inc. for the entire service area at a per household price of \$1.97, and to award the procurement of carts to Toter, Inc. as outlined in my November 8, 2007 memorandum to the Board (Attachment E). This recommendation is one that offers an optimal combination of price and quality - the two most important factors in ensuring an effective countywide recycling program. Award of the collection services component of the program to a single vendor continues to be the best option in regard to operational efficiency, administration, performance and consistent levels of service to participating residents. Compliance and performance information for vendors associated in this solicitation is provided in Attachment F, if applicable.

Should the Board opt for the three zone alternative to my original October 16, 2007 recommendation, staff would negotiate contracts with the selected firms and either bring the contracts to the Board for approval, or the Board may choose to delegate the authority to award to the Mayor and his designee. Additionally, the Board would need to reject my original October 16, 2007 recommendation to award the collection services component to Waste Pro of Florida, Inc and the purchase of carts to Toter, Inc.



Assistant County Manager

Attachment A

Price for Collection Based on Three zones - November 29, 2007

	World Waste	Choice Environmental	Waste Services Inc.	Waste Pro	Waste Management
South	\$1.96	N/B	\$1.965	N/B	N/B
Central	\$1.92	N/B	\$1.925	N/B	N/B
North	\$1.92	\$1.96	\$1.935	N/B	N/B

Attachment B - Tally of pricing received from Invitation to Bid 8513-0/09 for Recycling Carts (Four Groups)

GROUP A - Plain Carts											
Units (#)	Puryear	Otto Environmental Systems, LLC	Toter	Cascade	Cason						
1	5000	\$31.00	\$155,000.00	\$34.59	\$172,950.00	\$35.60	\$178,000.00	\$80.99	\$404,950.00		
1a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	\$20.99	\$104,950.00		
2	350000	\$41.08	\$14,378,000.00	\$40.87	\$14,304,500.00	\$43.15	\$15,102,500.00	\$95.99	\$33,596,500.00		
2a	350000	\$2.90	\$1,015,000.00	\$2.81	\$983,500.00	\$3.25	\$1,137,500.00	\$8.99	\$3,146,500.00		
3	5000	\$47.97	\$239,850.00	\$47.76	\$238,800.00	\$51.10	\$255,500.00	\$98.99	\$494,950.00		
3a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	\$28.99	\$144,950.00		
		SUM:	\$15,816,850.00	SUM:	\$16,159,750.00	SUM:	\$16,706,000.00	SUM:	\$37,892,800.00		
Price for Eval Purpose: \$15,026,007.50											
GROUP B - Carts with Barcode											
Units (#)	Puryear	Otto Environmental Systems, LLC	Toter	Cascade	Cason						
4	5000	\$31.51	\$157,550.00	\$35.08	\$175,400.00	\$36.60	\$183,000.00	NO BID	NO BID		
4a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	NO BID	NO BID		
5	350000	\$41.59	\$14,556,500.00	\$42.12	\$14,742,000.00	\$44.15	\$15,452,500.00	NO BID	NO BID		
5a	350000	\$2.90	\$1,015,000.00	\$3.25	\$1,137,500.00	\$3.25	\$1,137,500.00	NO BID	NO BID		
6	5000	\$48.49	\$242,450.00	\$49.75	\$248,750.00	\$52.10	\$260,500.00	NO BID	NO BID		
6a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	NO BID	NO BID		
		SUM:	\$16,000,500.00	SUM:	\$16,336,150.00	SUM:	\$17,066,000.00	SUM:	\$17,892,800.00		
Price for Eval Purpose: \$15,200,475.00											
GROUP C - Carts with Instruction Label											
Units (#)	Puryear	Otto Environmental Systems, LLC	Toter	Cascade	Cason						
7	5000	\$32.03	\$160,150.00	\$35.35	\$176,750.00	\$36.10	\$180,500.00	\$80.99	\$404,950.00		
7a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	\$20.99	\$104,950.00		
8	350000	\$42.10	\$14,735,000.00	\$42.39	\$14,836,500.00	\$43.65	\$15,277,500.00	\$95.99	\$33,596,500.00		
8a	350000	\$2.90	\$1,015,000.00	\$3.25	\$1,137,500.00	\$3.25	\$1,137,500.00	\$8.99	\$3,146,500.00		
9	5000	\$49.00	\$245,000.00	\$49.98	\$249,900.00	\$51.60	\$258,000.00	\$98.99	\$494,950.00		
9a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	\$28.99	\$144,950.00		
		SUM:	\$16,184,150.00	SUM:	\$16,433,150.00	SUM:	\$16,886,000.00	SUM:	\$37,892,800.00		
Price for Eval Purpose: \$15,374,942.50											
GROUP D - Carts with Barcode and Instruction Label											
Units (#)	Puryear	Otto Environmental Systems, LLC	Toter	Cascade	Cason						
10	5000	\$32.54	\$162,700.00	\$35.84	\$179,200.00	\$37.10	\$185,500.00	\$80.99	\$404,950.00		
10a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	\$20.99	\$104,950.00		
11	350000	\$42.61	\$14,913,500.00	\$42.88	\$15,008,000.00	\$44.65	\$15,627,500.00	\$95.99	\$33,596,500.00		
11a	350000	\$2.90	\$1,015,000.00	\$3.25	\$1,137,500.00	\$3.25	\$1,137,500.00	\$8.99	\$3,146,500.00		
12	5000	\$49.51	\$247,550.00	\$50.47	\$252,350.00	\$52.60	\$263,000.00	\$98.99	\$494,950.00		
12a	5000	\$2.90	\$14,500.00	\$3.25	\$16,250.00	\$3.25	\$16,250.00	\$28.99	\$144,950.00		
		SUM:	\$16,367,750.00	SUM:	\$16,809,350.00	SUM:	\$17,246,000.00	SUM:	\$37,892,800.00		
Price for Eval Purpose: \$15,549,362.50											
Part: 7% Discount											
Subcontractor: Otto Environmental											
SBE: Yes											
Local: Yes											
Parts: 10% Discount											
No Sub											
SBE: No											
Local: No											
Parts: 25% Discount											
Sub: Cart Men, Universal Refuse											
Delivery Service, and James Smyrne											
SBE: No											
Local: No											
Parts: 0% Discount											
Sub: Sequential Environmental											
Services, Curbside Services											
SBE: No											
Local: No											
Parts: 0% Discount (Did not list parts											
discount for Group D and Group C.											
SBE: No											
Local: Yes											
No Subs											
THIS TALLY SHEET IS AN INDICATION OF PRICES ONLY AND IS NOT A DETERMINATION OF THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER											



OTTO Environmental Systems N.A., Inc.
From the desk of: MJ Schmidt
Municipal Marketing & Sales Manager
12700 General Drive (28273)
PO Box 410251
Charlotte, NC 28241-0251
Telephone (904) 669-3791
Facsimile (407) 386-6345
mjschmidt@otto-usa.com

December 7, 2007

Mr. Andrew Zawoyski, CPPO, CPPB
Chief Negotiator
Miami-Dade County
Department of Procurement Management
111 NW 1st Street, Suite 1300
Miami, Florida 33128-1974

Dear Mr. Zawoyski,

It is with pleasure and persistence that I write this correspondence to you to reiterate our interest, commitment and intention to provide Miami-Dade County with the Recycle Containers that the County requires for your residents.

In the most recent bid opening, OTTO presented the lowest, and most responsive bid for any and all options as laid out by your office, followed by our Sales Agent, Puryear, as second lowest, and most responsive bidder for the same options. If the County recognizes and incorporates its Local Vendor Preference, then Puryear is, in fact, the lowest and most responsive bidder. Either way, the two lowest-priced options for the County are to provide OTTO containers to the residents of Miami-Dade County.

As you are aware, we have been working with the County departments and other County offices to determine what is in the best interest of the County, supplying what is laid out by you in your bid documents, and at the most current and economical cost to the County. This strategy to team with Puryear was a strategy that OTTO and Puryear developed in order to insure that we would be able to work together (OTTO as the manufacturer, and Puryear as the Sales Agent) to leverage our two strengths, provide what was required, and finally meet all the criteria that the County has set out.

This process since the original solicitation in June and July was to negotiate a contract with Miami-Dade that will put Otto in a position to provide the County's residents with recycling collection carts that will completely satisfy the County's requirements now and into the future.

Again, we appreciate your careful consideration of our proposal to work with the County on this extremely important project. We are eagerly looking forward to meeting personally with your office to discuss the details of the Contract, either through Otto or its Sales Agent, Puryear.

Respectfully,

M.J. Schmidt
Municipal Marketing & Sales Manager

/mjs

Cc: Gary Hallen/OTTO Environmental
Jonathan Dotson/Puryear



Otto Environmental Systems (NC), LLC

12700 General Drive
Charlotte, North Carolina 28273
Telephone (704) 588-9191, (800) 227-5885
Facsimile (704) 588-5250
www.otto-usa.com

OTTO ENVIRONMENTAL SERVICES (NC), LLC
NON-COLLUSION AFFIDAVIT

STATE OF NORTH CAROLINA

COUNTY OF MECKENBURG

I, Stephen Stradtman, CEO being duly sworn, do depose and say,
(Name of Party) (Title)

That Otto Environmental Systems (NC), LLC, its agent, officers or employees have not directly or indirectly entered into any agreement, participated in any collusion, or otherwise, taken any action in restraint of free competitive bidding in connection with Miami-Dade County's Invitation to Bid No. #8513-0/09, for "Acquisition, Delivery and Assembly and Distribution to Residents of Recycling Containers for Automated Recycling Collection", and that no member of the Commission, head of any department or employee therein, or any officer of Miami-Dade County, Florida, is directly or indirectly interested therein.

Stephen Stradtman
(Signature)

CEO
(Title)

Sworn to and subscribed before me this 17th day of January, 2008

[Signature]
Notary Public in and for

County of Mecklenburg
State of North Carolina

My commission expires _____





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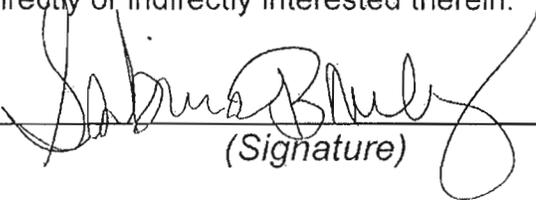
**OTTO ENVIRONMENTAL SERVICES (NC), LLC
NON-COLLUSION AFFIDAVIT**

STATE OF NORTH CAROLINA

COUNTY OF MECKENBURG

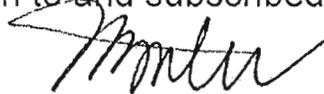
I, Sabrina Bowling, Contract Administrator being duly sworn, do depose and say,
(Name of Party) (Title)

That Otto Environmental Systems (NC), LLC, its agent, officers or employees have not directly or indirectly entered into any agreement, participated in any collusion, or otherwise, taken any action in restraint of free competitive bidding in connection with Miami-Dade County's Invitation to Bid No. #8513-0/09, for "Acquisition, Delivery and Assembly and Distribution to Residents of Recycling Containers for Automated Recycling Collection", and that no member of the Commission, head of any department or employee therein, or any officer of Miami-Dade County, Florida, is directly or indirectly interested therein.


(Signature)

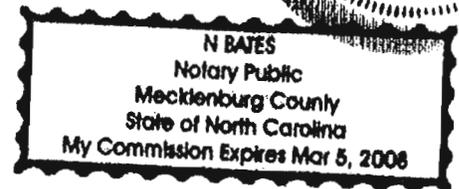
Contract Administrator
(Title)

Sworn to and subscribed before me this 17th day of January, 2008


Notary Public in and for

County of Mecklenburg
State of North Carolina

My commission expires _____





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**OTTO ENVIRONMENTAL SERVICES (NC), LLC
NON-COLLUSION AFFIDAVIT**

STATE OF NORTH CAROLINA

COUNTY OF MECKENBURG

I, Gary Hallen, Director of Sales being duly sworn, do depose and say,
(Name of Party) (Title)

That Otto Environmental Systems (NC), LLC, its agent, officers or employees have not directly or indirectly entered into any agreement, participated in any collusion, or otherwise, taken any action in restraint of free competitive bidding in connection with Miami-Dade County's Invitation to Bid No. #8513-0/09, for "Acquisition, Delivery and Assembly and Distribution to Residents of Recycling Containers for Automated Recycling Collection", and that no member of the Commission, head of any department or employee therein, or any officer of Miami-Dade County, Florida, is directly or indirectly interested therein.

Gary Hallen
(Signature)

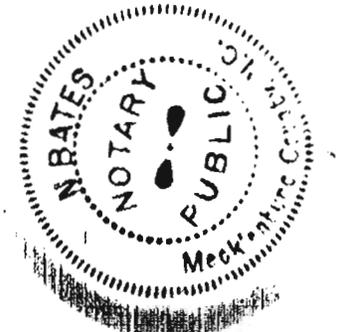
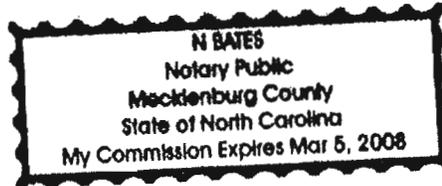
Director of Sales
(Title)

Sworn to and subscribed before me this 17th day of January, 2008.

[Signature]
Notary Public in and for

County of Mecklenburg
State of North Carolina

My commission expires _____





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**OTTO ENVIRONMENTAL SERVICES (NC), LLC
NON-COLLUSION AFFIDAVIT**

STATE OF NORTH CAROLINA

COUNTY OF MECKENBURG

I, M.J. Schmidt, Area Manager being duly sworn, do depose and say,
(Name of Party) (Title)

That Otto Environmental Systems (NC), LLC, its agent, officers or employees have not directly or indirectly entered into any agreement, participated in any collusion, or otherwise, taken any action in restraint of free competitive bidding in connection with Miami-Dade County's Invitation to Bid No. #8513-0/09, for "Acquisition, Delivery and Assembly and Distribution to Residents of Recycling Containers for Automated Recycling Collection", and that no member of the Commission, head of any department or employee therein, or any officer of Miami-Dade County, Florida, is directly or indirectly interested therein.

M.J. Schmidt
(Signature)

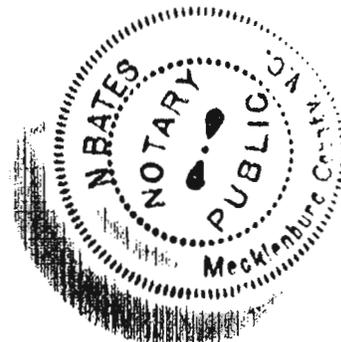
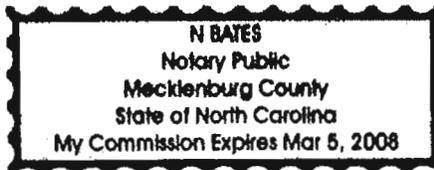
Area Manager
(Title)

Sworn to and subscribed before me this 17th day of January, 2008.

[Signature]

Notary Public in and for

County of Mecklenburg
State of North Carolina



My commission expires _____

Memorandum

Date: November 8, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Supplemental Information - Agenda Item No. 14(B)1, Curbside Recycling Program – Proposed Process on Collection and Carts Reports

Supplement No. 2 Agenda Item No. 14(B)1

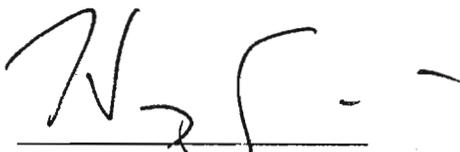
The purpose of this supplement is to further clarify the professional recommendation to award the two remaining components of the Countywide Curbside Recycling Program: Carts and Collections Services.

It is recommended that the Board consider staff's professional recommendation in regard to the award of the remaining two components of the Program. On October 16, 2007, the Board awarded the processing component of the Program to Waste Management Inc. of Florida, conditioned upon the award of the carts, and collection services.

In order to clarify our professional staff recommendation, I am rescinding the original recommendation submitted to the Government Operations and Environment (GOE) Committee on September 11, 2007, and recommend approval of the October 16, 2007 recommendation to award the collection services component to Waste Pro of Florida, Inc., and the purchase of carts to Toter, Inc. This recommendation is based upon the results of a full and open competitive solicitation process for carts, and the competitive negotiation process discussed by GOE members at the September 11, 2007 meeting.

This recommendation is the only staff recommendation that is now before the Board, and represents the best value option from a quality and price perspective.

Should the Board choose not to approve this recommendation, we look forward to the Board's direction regarding the award of the remaining two contracts.


Assistant County Manager

Compliance & Performance Information

The Solid Waste Management (DSWM) and Small Business Development (SMD) departments have reviewed the compliance history of all vendors associated with both solicitations. Below are the results of their review.

COLLECTIONS SERVICES

- **Waste Services Inc. (formally BFI)**
 - **RESOLVED** - one violation on record for BFI Waste Systems of North America dated August 16, 2005 for not submitting payrolls on Contract No. 6938-1/04-1, COLLECTION AND DISPOSAL OF TRASH AND GARBAGE.
 - Is not past due on payments to DSWM
- **Waste Pro of Florida, Inc.**
 - No Compliance Issues with SBD
 - Is not past due on payments to DSWM
- **World Waste, Inc.**
 - No Compliance Issues with SBD
 - Is not past due on payments to DSWM
- **Waste Management Inc. of Florida**
 - No Compliance Issues with SBD
 - Is not past due on payments to DSWM
- **Choice Environmental Services of Broward, Inc.**
 - No Compliance Issues with SBD
 - Is not past due on payments to DSWM

CARTS

- **Puryear, Inc.**

Puryear has been issued five Living Wage violations on County contracts; one was for not responding to a payroll audit, and four for failure to pay accurate living wage rates to its employees. All violations issued to date along with imposed sanctions have been resolved and fines collected. Please see details below:

 1. **RESOLVED** - Violation was issued on December 28, 2004 on the Janitorial Services contract for the Justice Center Complex for failing to respond to a payroll audit. The firm responded and this matter was resolved on December 30, 2004. The firm is now in compliance.
 2. **RESOLVED** - Violation was issued on April 17, 2007 on the Janitorial Services contract for Metromover Stations and resolved July 30, 2007. Back wages were paid to 30 employees totaling \$23,397.77. Sanction imposed in the amount of \$3,035 was collected. The firm is now in compliance.
 3. **RESOLVED** - Violation was issued on July 11, 2007 on the Janitorial Services contract for the Miami-Dade Police Department and resolved on

July 30, 2007. Back wages were paid to three employees totaling \$2,771.72. Sanction imposed in the amount of \$546 was collected. The firm is now in compliance.

4. **RESOLVED** - Violation issued on July 11, 2007 on the Janitorial Services contract for General Services Administration (GSA) and resolved July 30, 2007. Back wages paid to three employees totaling \$521.66. Sanction imposed in the amount of \$160 was collected. The firm is now in compliance.
5. **RESOLVED** - Violation was issued on November 2, 2007 on the Janitorial Services contract for various GSA buildings. Back wages owed to eighteen employees in the amount of \$14,507.07. Sanction imposed in the amount of \$4,352.02 was due on December 2, 2007. Follow-up letter issued on December 21, 2007 advising that \$3,976.71 in wages was still due to twelve of the eighteen employees and payment of the sanction of \$4,352.02 is still outstanding. The firm had a compliance meeting with SBD on January 23, 2008. At that meeting the vendor notified SBD that some of the hours noted on their payroll were not for County services and agreed to provide revised payroll and other documents to substantiate their position by Monday January 28, 2008. Revisions received, reviewed and adjustments made by SBD staff which reduced the balance due to 9 employees instead of 12 from \$3976.71 to \$2,410.71. The sanction was reduced to \$3,965.10. On Monday, February 4, 2008, Mr. Dotson of Puryear issued checks for payment of all amounts owed the 9 employees, including the assessed penalty amount, to SBD.

Listed below are two Notices to Cure (NTC) that were issued to Puryear, Inc., however NTC's are not counted as violations. Issuance of a NTC is utilized by SBD to assist vendors in maintaining an in-compliance status.

1. **RESOLVED** - NTC issued February 21, 2006 on a janitorial contract for Metro Mover for failing to respond to payroll audit information. The information was received on March 29, 2006.
2. **RESOLVED** - NTC issued January 31, 2007 on a janitorial contract for Metro Mover for failing to submit requested certified payrolls. Payrolls were provided May 11, 2007.

- **Otto Environmental Systems N.A., Inc.**
 - No Compliance Issues with SBD
- **Toter, Inc.**
 - No Compliance Issues with SBD