

SCOPE OF SERVICES



March 23, 2021

Horace McHugh, Interim City Manager
City of North Miami Beach, Florida
17011 NE 19th Ave.
North Miami Beach, FL 33162

RE: Scope of Work – Evaluation of City-Provided (In-House) Solid Waste Collection Services
KCI Project #99-90

Dear Mr. McHugh:

As requested, Kessler Consulting, Inc. (KCI) is pleased to submit this scope of work to assist the City of North Miami Beach (City) with performing an evaluation of City-provided solid waste collection services.

Experience

KCI, founded in 1988, is a Florida based niche firm that specializes in optimizing the business and operational efficiencies of solid waste management systems, facilities, and programs. Throughout the firm's 33-year history, KCI has worked on over 900 projects for more than 260 clients in 29 states and 10 countries. We have established our position at the front of the pack throughout the solid waste and recycling industry in Florida and nationally.

KCI has assisted many jurisdictions with the analysis and modeling necessary to make policy decisions regarding the collection of solid waste. In addition to our recent work with the City, in 2013 we performed an analysis that led to an Operation Plan for recommended efficiency improvements of City-provided service and a financial comparison for outsourcing collection services. Recently, we have assisted multiple clients in performing similar analysis. In Florida, this includes studies conducted for the following cities: Deerfield Beach, Sarasota, Coral Gables and Hollywood, among others. KCI's models and staff can efficiently and effectively provide the City with the financial and operational implications associated with in-house services.

Background

Recently, KCI fulfilled prior scopes related to the City's Request for Proposals (RFP) for Solid Waste Collections and Disposal Services (#RFP-20-031-DR) that closed on August 31st, 2020. Under prior agreements with the City (Project #146-01.00), KCI provided technical support and guidance in the review of procurement documents, proposer questions, and during the evaluation committee process. Subsequent project extensions led to assistance with contract negotiations and initial planning for a transition of service.

The City now requests an evaluation for in-house solid waste collection services to provide Commissioners with the facts necessary to shape policy decisions related to the solid waste program.

Scope of Work

KCI proposes the tasks outlined below and welcomes discussion on necessary modifications to meet the City's objectives.

Task 1 – Project Initiation

Purpose: Confirm the project scope, scale, schedule and gather informational resources necessary to compile data for performing an operational and financial analysis.

Activities:

- Conduct a virtual kick-off meeting with City staff to meet the following objectives:
 - Review and confirm the project scope, schedule, and deliverables.
 - Confirm the services to be evaluated. KCI proposes to focus on two scenarios:
 1. Baseline: This scenario will model the current collection system and service parameters.
 2. Alternate: This scenario will incorporate measures that may optimize or modify collection services resulting in a greater return on investment (e.g., changing collection frequency, changing collection method, and/or establishing set-out limits for bulky waste).
- Utilize information developed during previous work for the City and request additional data required for performing the in-house analysis. Information to be compiled will include:
 - Monthly tonnages for residential garbage and bulky waste and commercial garbage and recyclables.
 - Number of residential customers.
 - Number of commercial customers and containers by container size and collection frequency.
 - Deployed (in service) container and cart inventory by type and size.
 - Locations of tipping points for each waste stream.
 - Collection metrics for each service including number of daily routes, number of service locations, hours worked, and tons collected.
 - Type and capacity (cubic yards) of collection vehicles utilized.
 - City employee pay scale and benefit information.
 - Status of facilities formerly used for collection operations.
- KCI anticipates that some operational information will be difficult to obtain, in which case KCI will rely on its industry knowledge and comparable data obtained in Task 2.

Deliverables:

- One virtual (kick-off) meeting with City staff.
- Information request.

NOTE: To provide the greatest efficiency and meet the requested timeline, deliverables for Tasks 2 – 4 will be biweekly project update meetings and KCI provided meeting minutes as described later.

Task 2 – Operational and Financial Analysis

Purpose: Determine the operational and financial performance of in-house services and compare it to proposed privatized services resulting from Solid Waste Collections and Disposal Services (#RFP-20-031-DR). Results will be projected over a 10-year period (i.e., 2022-2031).

Activities:

Based on City data, proposals received during the RFP process, and our extensive knowledge of collection operations, KCI will conduct an operational and financial analysis of the baseline and alternate collection scenarios, which will entail the following:

- Establish City-specific performance metrics for key operational and financial variables for each collection service. These will address factors including:
 - Collection set out rates.
 - Route performance (e.g., stop time, route miles, distance to tipping facility, and tipping time).
 - Recovery metrics (e.g., recovery rates of designated recyclable materials).
 - Financial metrics (e.g., average cost per crew hour, truck capital cost, average operating cost per truck hour, tip fees, and recyclable revenue).
- Utilize KCI’s proprietary spreadsheet-based collection model to analyze each scenario, including:
 - Tons recovered and disposed.
 - Container inventory and fleet size.
 - Staff requirements.
 - Capital costs, operating costs, and total annual cost.
- Compare the results against cost for the current collection contract to determine whether the City can potentially provide services at a lower cost.
- Perform an isolated assessment utilizing parameters above for only collecting bulk waste materials in-house.

Task 3 – Assessment of Planning and Implementation Issues

Purpose: Briefly describe the decisions, resources, and work activities needed to implement City-provided collection services.

Activities:

KCI will develop an inventory and brief descriptions of the major planning and implementation issues that would need to be addressed and planned for if the City were to assume in-house collection services (e.g., container asset management, fleet maintenance and repair, customer service center, etc.):

Task 4 – Final Report and Presentation

Purpose: Provide the documentation and strategic and technical advice necessary to support the City decision-making process.

Activities:

KCI will document project results, conclusions, and a formal recommendation in a written report to City staff. KCI will work closely with City staff to finalize the report and assist staff through the process of briefing City leadership. Work activities will include the following:

- Submit a draft report to the City regarding project results, conclusions, and preliminary recommendations.
- Meet with City staff for a strategy session to discuss the report and plan next steps.
- Finalize the report and prepare a draft presentation for City leadership.
- Participate in a video conference with City staff to discuss and finalize the presentation.
- Meet with City staff to prepare for and participate in one-on-one briefings with City leadership.

Deliverables:

- Draft report.
- Strategy session with City staff.
- Final report and draft presentation for City leadership.
- Final presentation.
- Preparatory meeting with City staff and one-on-one briefings with City leadership.

Project Management, Client Communications and Meetings

KCI understands that time is of the essence for this project. In order to work efficiently and maintain close coordination with the City, KCI will participate in virtual project status teleconferences with City staff once every two weeks. The purpose of the teleconferences will include:

- Summarize work status.
- Discuss preliminary findings.
- Discuss upcoming work activities.
- Review project schedule.

KCI will submit meeting minutes to the City which may be used to brief City leadership regarding the project. In addition to every other week teleconferences, KCI will communicate and coordinate with City staff as needed to conduct project work.

Due to uncertainty regarding COVID-related restrictions in the coming months, KCI anticipates that much of the project work will be completed remotely but foresees conducting the Task 4 work session and Commission briefings on site.

PROPOSED TIMELINE AND BUDGET

KCI projects completing the tasks identified above within 90 - 120 days of commencement dependent upon multiple factors that may impact KCI's ability to perform work activities (e.g., the pace and accuracy of obtaining necessary data from City staff, the availability of staff's meeting schedule, etc.)

KCI will complete the proposed scope of work on a time-and-materials basis at an amount not to exceed \$45,600. The City will be billed on a time and material basis at our current rates, noted in the table below. Services to be invoiced will include all overhead and direct and indirect costs. Any requested travel costs will be billed separately. As with our previous projects, KCI will submit monthly invoices with a written explanation of activities completed that month.

Staff	Hourly Rate
Principal	\$225
Project Director/Tech Advisor	\$180
Consultant	\$115
Admin Support	\$70

In summary, I hope this proposal conveys a scope of work that will help the City adequately evaluate in-house solid waste collection services. Please give me a call to discuss any questions or comments you may have.

Sincerely,

Kessler Consulting, Inc.



Mitch Kessler
President