

SUMMER ANALYSIS 2019

Sanitation Operation - Long Term Strategy

Summer Analysis 19-02
Public Works Department
August 12, 2019

Summer Analysis

Executive Summary

The City of Hallandale Beach is one of the three of cities in Broward County with a publicly operated solid waste management (SWM) program. The City maintains efficiency by offering once a week service for residential solid waste collection. Once a week service is a trend nationwide, as well as in Florida, and Hallandale Beach is leading Broward County in this progressive approach to SWM. For the past three years former city administrations have contemplated various ideas or methods of optimizing the SWM program to be more in line with practices of most Broward County cities, who are serviced by private haulers. The City of Hallandale Beach is a very customer service driven organization. The proposed strategy focuses on improving operational efficiency for SWM while maintaining a high level of customer service and maximizing cost efficiencies. The multi-family and commercial accounts are being considered as there may be opportunities for improving customer service and operational efficiencies. The guiding principles for these proposed changes are to **stabilize** SWM operations and pursue all opportunities for **progress** and **growth**.

Current SWM Operation

The Sanitation Division has 22 positions and 22 vehicles, divided into two service areas: Trash/Recycling (3410) and Solid Waste (3420). The Division operates on a weekly schedule of seven days servicing residential, commercial and multi-family accounts. Residential accounts are serviced one (1) day a week and the operation runs on a five (5) day a week work schedule. Commercial and Multi-family customers have the option to request collection from one (1) day to seven (7) days a week. City ordinance requires Multi-Family and Commercial Accounts to be serviced by the City. Only a portion of these accounts are grandfathered from prior to the setting of the Ordinance and are excluded from this requirement. There are currently 4,728 active residential accounts, 647 commercial accounts and 707 multi-family accounts. Approximately 16,450 tons of solid waste are collected and disposed of annually.

This Summer Analysis focuses, for the most part, on proposed improvements to service delivery for the Commercial and Multi-Family accounts. Nonetheless, the entire operations are being examined for efficiency at this time. In addition to the numerous residential, commercial, and multi-family accounts from which the City collects solid waste, the Solid Waste Management operation fulfills several ancillary functions. While some archaic and inefficient processes are being eliminated as a result of the full examination of the Division's operations (as is further described below), it will continue to provide the following ancillary services:

- Residential comingled recycling collection (1,100 tons annually) once a week;
- Litter receptacle collection from bus stops (32 receptacles) 3 times a week.
- Palm frond pick up once a week.
- Quarterly hazardous/electronic waste events
- Monthly bulk/yard waste collection (1,217 tons of bulk material and 1,245 cubic yards of yard waste) for residential.

- Roll-off collection/disposal for bulk/yard debris generated by City (Eight (8) 20-40-yard dumpsters), 5 days a week;
- Christmas tree Collection.
- Bulk and yard waste Drop-off program (Broward County Facility)

Grandfathered Private Haulers

In its infancy, prior to 1980, the City's sanitation division was not equipped to provide solid waste collection service for commercial and multi-family accounts. At that time, service was provided by private haulers. In 1980, the City became equipped with front load trucks to provide this service. City Code Section 24-5 – Garbage Collection by City; Private Haulers; Permit Required (Currently Section 32-369) -- requires all garbage produced in the city to be collected, conveyed and disposed of by the City with certain exceptions described in the ordinance. The Ordinance required anyone desiring to collect or convey any solid waste produced in the city to obtain hauling and disposal permits. The issuance of such permits is based solely on the factors set forth by the City and on the inability or refusal of the City to provide service, as the circumstances may require. The Code of Ordinance stipulates that the City has the right of first refusal for garbage collection. This means that the City's Sanitation Division has the right to provide or refuse to provide solid waste collection services to new solid waste customers.

Upon adoption of the 1980 ordinance, sixty (60) commercial/multi-family accounts were grandfathered and continue to utilize private haulers for their solid waste collection. Currently, there are eight (8) Private Haulers franchised with the City to provide service to these accounts. This Ordinance assures that the Sanitation Division is involved in the Development Review Committee (DRC) process to assure that any new development is designed in a way that will facilitate access to solid waste dumpsters utilizing the equipment available to the City's Sanitation Division.

The City has put into place a registration process for the private haulers who currently service the grandfathered garbage accounts. This process requires the collection of annual application fees and franchise fees (22% of revenue generated in the city) from the private haulers.

Challenges

Challenge No. 1 Upgrade existing CNG Vehicles/ Equipment

There are currently sixteen (16) pieces of heavy equipment used for the operation of residential, multi-family and commercial services. The Division replaced eight (8) diesel trucks with Compressed Natural Gas (CNG) trucks between 2013 and 2016. When these vehicles were purchased the city had two options to fuel vehicles: City of Hollywood and a private fueling station in Miami Gardens. Approximately two years ago these two stations closed. Staff now must travel to the nearest CNG fuel station in Pompano Beach. The round-trip distance of travel is approximately 39 miles and takes 1.50 hours with normal traffic. The long-distance travel has placed tremendous stress on the vehicles and renders the operation inefficient.

Challenge No. 2 – Determination for fulfilling Multi-Family and Commercial Accounts

Various initiatives have been proposed in recent years for managing the Multi-Family and Commercial accounts. Prior approach included franchising the Multi-Family and Commercial operations to open market. This approach has been paused and additional factors such as transition plans for employees, increased traffic, emissions, street wear and tear and higher risk of non-compliance are being considered. A new approach requires ensuring that all risk factors, known concerns, and financial aspects are addressed. The Multi-Family and Commercial account SWM operations is on a temporary freeze for purchases and hiring while proposals are being obtained for eventual consideration by the City Commission. The proposal staff will present will include attaining most recent pricing and costs from potential vendors, through an RFP process.

Until the long-term plan for Multi-Family and Commercial operations is achieved, a hiring freeze to fulfill six (6) vacant positions is being observed. The division is utilizing temporary workers to fulfill the operations of the Multi-Family and Commercial operations. In the event that a transition for the Multi Family and Commercial account operations to a city-contracted hauler or haulers be approved by the City Commission, due to cost-efficiency benefits, staff will ensure that the current three (3) positions transition to current vacancies in other Divisions of the Department of Public Works. A training and development plan will ensure that transitioning employees are successful in fulfilling the responsibilities of their new role.

Challenge No. 3 – Current Private Haulers Registration / Fee Collection process

The current registration process and managing of the franchise fee collection for the eight (8) haulers requires business process improvements. The current process requires private haulers to renew on an annual basis and provide quarterly reports of serviced accounts along with 22% of total revenues generated from the accounts. Currently, there are various private haulers that have not fulfilled their yearly and quarterly responsibilities. So far, this fiscal year, the City has collected 82% of projected revenues for Private Haulers. Monitoring and tracking of private haulers require improvement. A decentralized revenue management approach for invoicing hauler fees and collections has proven to be inefficient. Enforcement and penalties of for not fulfilling responsibilities require improvement and may require enhancement to existing ordinance. Shifts in administration and organizational strategies have resulted in loss of quality control.

Challenge No. 4 – Resource Training and Development

Staff acknowledges the need to improve the training and development opportunities for SWM staff members. Various organizations offer training and development professional certifications. A greater emphasis on SMW industry best practices and assessing current capabilities is required to ensure succession plans for individuals in the SWM operations. Training and development will improve morale and accountability for roles and responsibilities of resources. This effort may also improve cost efficiencies and quality control of SWM processes. Improvement of operations may lead to environmental improvements related to air, water and soil contamination.

Recommendations/Solutions

Proposed Solution No. 1 – Upgrade Existing CNG Vehicle Equipment

Staff is currently in the process of purchasing two side load diesel vehicles to improve Residential SWM capabilities. The purchase will minimize the need to travel beyond City limits for fueling. Additional vehicles will be planned for purchasing, once a cost benefit analysis and decision is made for Multi-Family and Commercial operations. If the Multi-Family and Commercial operation is fulfilled by an outside vendor, the City will not need to replace six CNG trucks. The long-term strategy for vehicle replacement will include the replacement of all 5 residential vehicles. These will be achieved once the Annual Comprehensive Annual Financial Report for Fiscal Year 2019-2020 is complete.

Proposed Solution No. 2 – Determination for service fulfillment for Multi-Family and Commercial Accounts/Preparing an RFP for Selection of a private hauler

Staff is currently working with a subject matter expert of the SWM industry to finalize a functional and performance scope for a request for proposals (RFP) to fulfill the Multi-Family and Commercial accounts responsibilities. Once responses from potential vendors are gathered from the RFP, staff will have the most recent cost pricing to perform a cost benefit analysis and determine if the best approach for fulfilling the Multi-Family and Commercial account operations.

Staff will remain focused on improving the residential accounts' SWM capabilities with existing resources and strengthening the ancillary services listed in the 'Current SMW Operation' section. Two inefficient ancillary services, namely Newspaper Pick-up and Alley Pick-up, have been eliminated from operations due to their inefficiency. Years ago the city's newspaper pick-up was segregated from the rest of recycling to encourage waste reduction. Newspapers are no longer as widely distributed as they once were and the trend continues to decline; our operations are adjusting accordingly. Out of the 1,150 multi-family accounts, only 50 participate in the recycling program the City offers. As regards alley pick up, equipment constraints that previously prevented the City from transitioning out of alley pick-up have been resolved by the adding smaller, single-arm side loaders to the fleet. Maintaining equipment for the minimal alley pick up locations at the same time as maintaining side loading equipment for the majority of the City's street collection is inefficient. Thus, neither the equipment nor the demand justifies continuing these minor functions. In the interim, staff is utilizing temporary resources to provide the desired level of customer service. Staff does not intend to eliminate any position filled by current employees. City Administration is focused on improving labor relations and develop greater opportunities for growth within the Public Works Department. Should a decision be made to transition Multi-Family and Commercial accounts to private vendors, staff will ensure that the three existing employees successfully transition to new roles within the Landscape Division, as there is current need for improving operations in this area. Appropriate training and mentoring are part of the transition plan for employees to succeed in potential new role.

Proposed Solution No. 3 – Current Private Haulers Registration / Fee Collection process

Staff intends to develop a comprehensive approach, that will include the development of support roles and responsibilities of the Finance Department, Code Division of Development Services, and Public Works. The business process improvement intends to instill quality controls and measures to enforce the ordinance, improve regulations and revenues collection. Staff will also seek assistance from subject matter experts to address current inefficiencies and instill auditing processes to recover fees in a timely fashion. Recommendations for improvement will be shared with the City Commission during monthly City Commission workshops. A metric goal that will be used to measure performance improvements are to ensure that 90% of revenues are collected within 60 days of due date.

Proposed Solution No. 4 – Resource Training and Development

Staff will pursue improving resource development by coordinating training programs for professional certifications and aligning employee compensation based on certifications attained. This may require a compensation study analysis specific for this division. Staff will also seek greater participation and membership to professional organizations such as the Solid Waste Association of North America and the National Waste and Recycling Associations. A metric goal to measure fulfillment in this area will be to have at least 80% of SWM employees attend at least one training for the upcoming fiscal year.

Next Steps

Stabilizing

- Staff is presenting an agenda item to at the August 7, 2019 City Commission Meeting to replace 2 CNG trucks with diesel trucks to improve Residential accounts operations.
- Staff will utilize short term temporary labor to sustain adequate levels of service until a further decision is made on the Multi-Family Commercial component is resolved.
- Finalize RFP specifications and determine vendor pricing on Multi-Family Commercial accounts operations. Utilize RFP prices from vendor and perform a cost benefit analysis against the cost of sustaining operations in-house. Cost benefit analysis is expected to be completed by December 2019.
- Contract consulting services to assess current business processes and determine opportunities for operational efficiency improvements. Recommendations are expected to be completed by November 2019.

Progress/Growth

- Recommend revisions to the City Ordinance to reflect the enhancements of SWM operations. This shall be performed upon the conclusion of the decision for Multi-Family and Commercial account operations.
- Deliver a professional development plan for SWM employees and coordinate professional training programs throughout fiscal year 19/20.