



Wednesday, June 25, 2014

City Landfill/Trash Contract: Serious Questions Need Answering



It's less than a week until San Angelo's City Council will hear the recommended contract with Republic Services/Trashaway. Council plans to undertake the issue on July 1.

Some citizens expressed anger at Texas Disposal Systems (TDS) for identifying

overcharging by Republic for commercial customers since 2000. Yes, TDS was the only other bidder for the city's trash hauling/landfill operation franchise (that in itself is a concern). Rather than shoot the messenger citizens should be grateful that someone identified Republic's repeated billing of unauthorized fees per the contract and city ordinance.

It's critical this issue be appropriately investigated prior to signing a long term contract with Republic.

San Angelo Live reported:

City staff said that they were **investigating the suspect charges**, and have been since about the middle of April.

City of San Angelo Internal Auditor Steve Mahaffey called this morning to offer more information on the audit of the existing trash contract. He said that all questions have not been answered in the investigation yet, but is anticipating more information to flow from his office. "My **ultimate goal is to provide transparency** to all of our citizens, including commercial businesses affected by this," he said. "At this point, I have given a brief verbal update on the status of the investigation to the audit committee and to the City Management; there is **no official written report at this time.**"

"I have **reviewed several commercial bills**, including those provided by Mr. Gregory with his concerns. I have reviewed years' worth of council minutes, watched videos of Council meetings, as well as reviewed agendas, minutes and accompanying background information pertaining to them," Mahaffey said.

I believe it's imperative to review more than several commercial bills. Because the city received 4% of the unapproved charges, it benefited from the overcharge and retains liability for this portion of excessive fees paid by commercial customers. At this point an outside audit investigation is warranted.

Mahaffey told the *Standard-Times* that the **audit report would not be made public.**

How does an unshared audit meet the goal of transparency to citizens? It clearly does not.

City leaders want to put this concern to bed as quickly as possible, thus key events are scheduled for this week.

City Councilwoman Charlotte Farmer said that the **audit committee**

reviewed the findings of the audit of the commercial charges and there will be a **press conference held by Republic** sometime this week to announce the findings and the resolution.

Press conference by Republic? It's the city's franchise to manage. City leaders are responsible for informing the public of what they found.

This is the same Charlotte Farmer that motioned for the city to deny another trash hauler's right to use city streets. After that motion was defeated, Farmer **declared** a conflict of interest due to having a relative in the trash business. I never heard her disclose that this conflict had evaporated before motioning to renew Republic's contract for five years, serving on the Trash/Landfill RFP Review Committee or the Audit Committee that heard the Republic investigation unwritten report results.

Through the thirty six year arrangement with Republic, the city has been responsible for contract oversight. It's failure to ensure compliance with commercial billing cost area businesses millions (\$). A recent public information request **revealed** Republic had not submitted complaints to the city for the last five years, as required by contract.

Such discoveries undermine public confidence in city staff's ability to manage a critically important contract for our community. Vendors had to attest to their ethics and good legal standing in the RFP. I didn't expect the incumbent company to be at risk of legal proceedings for work they'd already done for the city. But that is the case.

It seems prudent to extend the Republic contract for six months, have an outside audit investigation, hear those results and corresponding legal considerations and based on those findings consider whether to rebid the trash/landfill contract. Moving forward with many questions unanswered feels like a rush to renew. Unfortunately, that would fit with both language and actions by Council and staff the last ten months.

It's time to take a step back, not rush forward. San Angelo, it's your **turn to speak** on this issue.

by PEU Report/State of the Division at 12:54 AM 0 comments 