

August 18, 2014

RE: Republic's Commercial Pricing for 3 Cubic Yard Containers

Attachments: Republic's Response to RFP Clarifications  
Approved Commercial Rates for San Angelo

Attached are two documents. The first attachment was obtained from the City of San Angelo via open records request. The document includes a series of questions and responses between the proposal evaluation committee and Republic. Question #8 is a request for Republic to provide commercial pricing for 3 cubic yard dumpsters, which Republic provided. The second attachment includes the commercial rates from the approved waste collections contract posted on the City of San Angelo website. The pricing initially quoted by Republic for a 3 cubic yard container is substantially lower than the pricing approved by City Council. The price difference is as follows:

| <b><u>3 cubic yard</u></b> | <b><u>Initial Price Quote by Republic</u></b> | <b><u>Final Price Approved by Council</u></b> | <b><u>Difference</u></b> |
|----------------------------|---|---|--------------------------|
| 1x/week                    | \$80.75/month                                 | \$95.00/month                                 | \$14.25/month higher     |
| 2x/week                    | \$127.25/month                                | \$149.75/month                                | \$22.50/month higher     |
| 3x/week                    | \$169.00/month                                | \$199.13/month                                | \$30.13/month higher     |
| 4x/week                    | \$213.50/month                                | \$251.25/month                                | \$37.75/month higher     |
| 5x/week                    | \$252.75/month                                | \$297.75/month                                | \$45.00/month higher     |
| 6x/week                    | \$290.00/month                                | \$341.25/month                                | \$51.25/month higher     |

The difference in prices quoted as compared to what City Council approved raises several questions.

## Frerich, Patrick

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**From:** Frerich, Patrick  
**Sent:** Wednesday, March 26, 2014 5:24 PM  
**To:** Bunnell, Tina; Dane, Michael; Dickson, Ricky; Farmer, Charlotte; Fleming, Rodney; Frerich, Patrick; Kelton, Shane; Wardlaw, HR  
**Cc:** Banks, Roger  
**Subject:** Meeting Notes and Response to Questions  
**Attachments:** Committee Review Notes 2014-3-25.docx; Questions for Clarification-Response Republic.docx

| Tracking: | Recipient         | Delivery                     | Read                    |
|-----------|-------------------|------------------------------|-------------------------|
|           | Bunnell, Tina     | Delivered: 3/26/2014 5:24 PM | Read: 3/26/2014 5:29 PM |
|           | Dane, Michael     | Delivered: 3/26/2014 5:24 PM |                         |
|           | Dickson, Ricky    | Delivered: 3/26/2014 5:24 PM | Read: 3/26/2014 5:54 PM |
|           | Farmer, Charlotte | Delivered: 3/26/2014 5:24 PM | Read: 3/26/2014 6:56 PM |
|           | Fleming, Rodney   | Delivered: 3/26/2014 5:24 PM |                         |
|           | Frerich, Patrick  | Delivered: 3/26/2014 5:24 PM | Read: 3/26/2014 5:24 PM |
|           | Kelton, Shane     | Delivered: 3/26/2014 5:24 PM | Read: 3/26/2014 5:25 PM |
|           | Wardlaw, HR       | Delivered: 3/26/2014 5:24 PM | Read: 3/27/2014 8:57 AM |
|           | Banks, Roger      | Delivered: 3/26/2014 5:24 PM |                         |

**Attached is:**

1. a report of the first meeting of the Evaluation Committee held on March 25, 2014.
2. Republic's response to the Clarification Questions derived from this meeting.

Please let us know if you have any questions.

Thank you.

### Patrick Frerich

Assistant Director of Operations  
City of San Angelo - Operations Department  
Office: 325-657-4206  
Cell: 325-277-0492

**Questions for Clarification – Republic**

1. Is there any plan to expand the San Angelo Business unit to encompass a larger coverage area & therefore increasing tonnage brought into the landfill from outside the City & County?

**Any additional tonnage disposed at the landfill from within or outside of San Angelo is an issue that can be discussed during negotiations. However, it is always Republic's approach to grow business where appropriate and in concert with existing customers. In this case, any expansion outside of the City, will be discussed prior to initiation with San Angelo staff.**

2. Section 4 – 4.1, 4th Paragraph

Republic will most importantly, be responsible, indemnify, and hold the City of San Angelo harmless for any liabilities regarding the premises...for clarification- this is all past, present & future, liability including the current liability associated with the groundwater contamination and corrective action.

**Yes, Republic understands that it is the city's intent to divest of any future landfill liabilities and the Company's intent to assume those obligations and responsibilities for such landfill liabilities during the contract duration and through post closure should Republic be awarded the life of site contract.**

3. List all equipment by type and the number of each piece including spares that will be assigned to the landfill for the duration of the contract.

**Management of equipment will be done responsibly with safety and efficiency at the forefront. Landfill equipment will be replaced when required and needed. Equipment shall include what is on site at present and includes the following.**

**Equipment List**

|                              |
|------------------------------|
| 2013 Caterpillar Excavator   |
| 2009 Articulated Dump Truck  |
| 2001 Motor Grader            |
| 2008 Ford F250 Pickup        |
| 2012 Ford F250 Pickup        |
| 2006 Ford F150 Service Truck |
| 2011 Street Sweeper          |
| 2013 Tana Compactor          |
| 2009 Caterpillar Compactor   |
| 2011 D6E Dozer               |
| 2014 20 Bull Fences          |
| 2014 Tarpomatic              |
| 2006 Air Compressor          |
| 2007 Pressure Washer         |
| 2011 Lube Trailer            |

4. Implementation & Transition:

Can the implementation & transition time be shortened?

**Absolutely.**

5. Landfill Value Offerings:

1. Explain Landfill Post Closure Costs Take Back as reported Sept. 30, 2012 – 3,289,216.

**By Republic funding the initial Closure/Post Closure Trust in the amount of \$4,735,000 the city can sweep the \$3.2M liability as stated in the City of San Angelo Comprehensive Annual Financial Report for the fiscal year ended September 30, 2012.**

2. Elimination of Solid Waste Enterprise Fund deficit as proposal FY 2014 budget – 2,616,834. What line item in the Compensation Schedule is addressing this issue?

**This line item is not compensation. The \$2.6M is recognized as the city's deficit in its solid waste enterprise fund per the city's estimate in the City of San Angelo Solid Waste Enterprise Fund Schedule of Revenues and Expenditures. This operating deficit can be eliminated by applying revenue from royalties and lease payments from this contract.**

6. Provide further detail on the logistics of recyclables storage and glass sorting prior to baling & shipping. Also, provide information on any regulatory requirements that will be associated with this activity.

**Recyclables will not be stored as the plan is to utilize a partner to process, bale and market the material. As discussed in Republic's RFP submittal, the glass recycling and processing plan requires further discussion with Republic's partner along with city staff to determine the most effective program for San Angelo customers. Any regulatory requirements will be managed by Republic and its partner in conjunction and with approval from the city.**

**Details of the MRF facility and processing are under consideration and development with not less than two 3rd party processing companies. The processing capabilities and market demand for all types of recyclables will dictate what is collected and processed.**

7. Collection Equipment:

Waste spilling or blowing from bins while being emptied into the collection vehicle is a current problem. Based on the proposed equipment the opportunity for this problem of spilled and blown waste during the collection process may be increased. What guards or other precautions will be put in place to prevent the problem from occurring or at least minimizing it?

**Republic is unaware of any litter as a result of bins being emptied into collection vehicles. That being said, the equipment to be used by Republic has proven to be effective in controlling potential litter and state-of-the-art accessories including wind screens are applied to minimize litter, spillage or other potential issues. Any**

concerns with equipment or potential litter matters, Republic is willing to incorporate into the service requirements during negotiations.

8. Commercial Collection Pricing-

1. Provide pricing for on-site Compactor Containers for commercial use.
2. Can 3 CY containers be added on the pricing structure? If yes, please provide them.

Can the city please clarify if the compactors are for front load or commercial roll-off application. The three-yard container pricing is as follows.

**3 yard container pricing below:**

| Proposed Commercial Trash Rates:              |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Collections with or without landfill contract | 1X per week | 2X per week | 3X per week | 4X per week | 5X per week | 6X per week |
| 3 CY Container                                | \$80.75     | \$127.25    | \$169.00    | \$213.50    | \$252.75    | \$290.00    |
| Extra Pick-Up                                 |             |             |             |             |             |             |
| 3 CY Container                                | \$30.00     |             |             |             |             |             |

  

| Proposed Commercial Recycle Rates:            |             |             |             |
|---|-------------|-------------|-------------|
| Collections with or without landfill contract | 1X per week | 2X per week | 3X per week |
| 3 CY Container                                | \$35.00     | \$70.00     | \$105.00    |
| Extra Pick-Up                                 |             |             |             |
| 3 CY Container                                | \$25.00     |             |             |

9. Compensation Schedule – Waste Collections:

The 13 additional value added items associated with Republic’s proposal; are all of these items included in the proposed pricing & compensation schedules?

**The FleetMind, Recycling Coordinator and Recycling Rewards program are not included in the compensation schedule and are subjects to be considered during negotiations. With respect to the MRF, discussions regarding the future MRF and pricing are also subjects for negotiations.**

10. Are collection rates on chart 3 of Section 14 based on Landfill tipping fees in Section 5 or are they based on the \$30 as per the RFP instructions?

**Collection rates are not based on either, as Republic’s understanding of the \$30 rate is that it only applies to the collection contract award as detailed in chart one, section 14, under sole collection.**

11. Are all collection pricing rate proposals “all encompassing” meaning no additional fees will be added to the bill (i.e. environmental fees, fuel adjustment etc.) Both for residential and commercial?

**Yes.**

**EXHIBIT F**

**RATES FOR SERVICES**

1. Initial Year Pricing
2. To be adjusted annually by Section "9D Annual Increase" of the Special Contract
3. Annual Disposal Rate adjustments shall be applied on October 1, 2015 and each October 1 thereafter during the Term as specified in Landfill Agreement with City.

| <b>Residential Collection Pricing</b>                                 |   |
|---|---|
|   | <b>1X Week Garbage and 1X Week Single Stream Recycle collection both with 96 Gallon Cart (combined price)</b> |
| Base Rate   | \$13.47   |
| Bulk Waste Fee/Mo. (4X per year collection)                           | \$0.50  |
| <b>Total</b>  | <b>\$13.97</b>  |
| <b>Apartment House (where large containers are not used) per unit</b> | <b>\$13.97</b>  |
| <b>Two Family Duplex residence per Duplex</b>                         | <b>\$27.94</b>  |
| Additional Cart Fee   | \$ 5.00 trash, \$1.25 Recycle   |
| Replacement Cart Fee  | \$65 per cart   |

| <b>Out of Cycle Bulk Pick Up Rates</b> |         |
|--|---------|
| Trip Charge                            | \$75.00 |
| Each yard collected                    | \$25.00 |

**Rolloff Container Rates:**

| Size            | Haul Rate | Delivery | Plus Disposal Rate/Ton | Daily Rental                             | Installation and maintenance             |
|-----------------|-----------|----------|------------------------|--|--|
| 20 CY Container | \$175.00  | \$75.00  | \$35.50                | \$3.00/day                               | N/A                                      |
| 30 CY Container | \$175.00  | \$75.00  | \$35.50                | \$3.00/day                               | N/A                                      |
| 40 CY Container | \$175.00  | \$75.00  | \$35.50                | \$3.00/day                               | N/A                                      |
| Compactors      | \$225.00  | \$75.00  | \$35.50                | Negotiated between customer and Republic | Negotiated between customer and Republic |

**Commercial Trash Rates:**

|                             | 1X per week | 2X per week | 3X per week | 4X per week | 5X per week | 6X per week |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 96 Gallon Cart              | \$23.00     | \$46.00     | \$69.00     |             |             |             |
| 2 CY Container              | \$73.00     | \$120.00    | \$152.75    | \$187.00    | \$217.00    | \$263.00    |
| 3 CY Container              | \$95.00     | \$149.75    | \$199.13    | \$251.25    | \$297.75    | \$341.25    |
| 4 CY Container              | \$117.00    | \$179.50    | \$245.50    | \$315.50    | \$378.50    | \$429.50    |
| 6 CY Container              | \$146.25    | \$247.50    | \$337.50    | \$443.00    | \$538.25    | \$631.25    |
| 8 CY Container              | \$175.50    | \$315.50    | \$429.50    | \$570.50    | \$696.00    | \$832.75    |
| <b>Extra Pick-Up (each)</b> |             |             |             |             |             |             |
| 96 Gallon Cart              | \$15.00     |             |             |             |             |             |
| 2 CY Container              | \$22.50     |             |             |             |             |             |
| 3 CY Container              | \$29.50     |             |             |             |             |             |
| 4 CY Container              | \$36.00     |             |             |             |             |             |
| 6 CY Container              | \$45.00     |             |             |             |             |             |
| 8 CY Container              | \$55.00     |             |             |             |             |             |

**Container Movement Rates**

|  |   |
|--|---|
| 96 Gallon Cart Delivery  | \$20.00                                   |
| Commercial Container Delivery                                      | \$50.00                                   |
| Commercial Container Swaps/Exchanges                               | \$75.00                                   |
| Commercial Container Removals                                      | \$50.00                                   |
| Commercial Container Relocates                                     | \$50.00                                   |
| Rolloff Container Delivery   | \$75.00                                   |
| Rolloff Container Relocate   | \$75.00                                   |
| Container Lockbar Rental   | \$10.00                                   |
| Container Lock Bar Installation                                    | \$75.00                                   |
| Rolloff Dry Run (Customer Called but Container Not Ready for Haul) | \$75.00                                   |
| Daily rolloff Container Rental                                     | \$3.00                                    |
| Compacter rental, installation and maintenance cost                | Negotiated between Republic and customer* |

\*Due to the various size and specifications, ownership, special installation requirements and maintenance agreements

Notes:

- Extra cart pricing for Commercial 96 gallon Trash Service is \$17.00 per cart
- The charts above entitled Commercial Trash Rates and Rolloff Container Rates refer to Non-Residential Waste.

| <b>**Recycle Processing Charges for Residential Customers to be Added Depending on Volumes:</b> |                             |
|---|-----------------------------|
| Below 500 tons/month  | \$ .50 per home/month       |
| 500 + Tons/month  | no added processing charges |

\*\*Rates shall be applied in accordance with Section "9.G Adjustments for Recycling Services" herein.

| <b>Delinquent &amp; Closed Accounts fees</b> |                     |
|--|---------------------|
| Non Sufficient Funds (NSF)                   | \$ 35.00            |
| Late fees (past 30 days)                     | 5% (\$5.00 minimum) |
| Service Interrupt                            | \$ 35.00            |
|  |                     |

The chart above for Delinquent and Closed Accounts fees applies to all Non-Residential customers.



**EXHIBIT G**

**ACCEPTABLE WASTE AND UNACCEPTABLE WASTE**

**ACCEPTABLE WASTES**

Household-type wastes  
Cardboard  
Paper  
Plastic  
Food wastes  
Yard wastes (as per guidelines)

**UNACCEPTABLE WASTES**

Chemicals of any kind  
Paint or Thinners  
Pesticides or Herbicides  
Tires  
Batteries  
Oil & Oil filters  
Antifreeze  
Drums  
Asbestos  
Untreated Medical Waste  
Contaminated Soils  
Sludge or Liquids  
Automobile /truck engine parts