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**Title:** Houston officials accuse BFI of overcharging city.

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**Abstract:** Reports that the city of Houston, Texas has accused Browning-Ferris Industries (BFI) of overcharging the city for waste disposal services. Audit of contract showing the alleged overpayments that began in 1993; Discrepancy in the way waste is measured when it's delivered to the landfill.

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## **HOUSTON OFFICIALS ACCUSE BFI OF OVERCHARGING CITY**

HOUSTON -- Houston overpaid Browning-Ferris Industries Inc. about \$450,000 for landfill services, city officials said.

But BFI said the conflict is a matter of interpretation over the disposal contract.

A draft audit of the five-year pact showed the alleged overpayments began in 1993, when Houston-based BFI and the city entered into their agreement. Houston has about two years remaining on the contract and is negotiating with BFI and two other landfill operators to award one of them a 30-year disposal deal.

City attorneys are trying to resolve the matter with BFI officials, said Don Payne, a spokesman for the Houston Solid Waste Department. The contract carries a clause that states the city never would pay more than 80 percent of the gate rates, he said.

"It's clearly an interpretation of the contract, rather than a contract dispute," said BFI spokesman Pete Block.

BFI never has charged Houston more than 60-70 percent of the gate rates, he said. The discrepancy can be attributed to the way waste is measured when it's delivered to the landfill, Block said.

The draft audit also concluded Houston was overcharged about \$21,681 for vehicles in the BFI contract.

Houston officials said they intend to recoup some of the alleged overpayments.

Meanwhile, Payne said the disagreement is not a factor in the city's negotiations with BFI on a long-term disposal contract.

The company, which handles about 70 percent of the city's disposal business, is on a short list of contenders vying for the job.

BFI's Block also dismissed the disagreement as a factor in the company's newest bid for Houston's business.

"This isn't something we're ignoring or challenging," he said of the discrepancies.

"Nobody's drawn a line in the sand," Block said. "We're just trying to work things out with them."

Waste Management Inc. and a public-private partnership between the city of Alvin, Texas, and Sanifill Inc., also are bidding for Houston's disposal contract.

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By Amy Smith

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