



San Angelo's trash could be a treasure

Companies compete for city's garbage and landfill

By Monique Ching

Friday, November 8, 2013

SAN ANGELO, Texas —After Henry Dusek told Republic Services, his trash collection company, that he was switching to another firm, Republic offered him a lower rate.

Much lower: Republic offered to collect the San Angelo businessman's trash for \$47 a month. The previous rate, the taxidermist said, was \$109 a month. He had become fed up with the steadily increasing cost of having waste removed from his taxidermy business.

"Every month it would go up by about \$3," he said. "I didn't have a choice, because they were the only game in town."

But now there is a new trash collection presence in the area.

Recently, Texas Disposal Systems has begun serving customers such as Dusek and has heard similar stories from numerous customers outside San Angelo, said Bob Gregory, president and CEO of TDS.

"Up till now, there's been hardly any other competition," Gregory said. "You can imagine we've been getting a lot of business."

Kenny Ramzinski, general manager for Republic, said the increased competition TDS brought into the area has made Republic adjust its approach in an effort to retain its customers.

"Competition is good — we embrace that," Ramzinski said. "This market historically didn't have a lot of competition."

The San Angelo City Council also thinks that competition would be beneficial. At its regular meeting Tuesday, the council authorized staff to put out a request for proposals in the city's trash collection and landfill operation contract.

"We cannot tell if we've ever bid out (the contract)," said Shane Kelton, director of operations for the city. "We have no bar to judge ourselves against."

A HISTORY OF TRASH

San Angelo acquired the landfill permit in 1984, Kelton said, but the city did not want to be in the trash collections business at the time, so it contracted Duncan Disposal Inc. to collect residential and commercial garbage in the city.

Since then, Duncan Disposal has been bought out by Trashaway Services, which was later bought out by Phoenix, Ariz.-based Republic Services, the second-largest residential and commercial waste collection company in the U.S. Renewing the contract became a routine matter for the city.

"We always just renegotiated the contracts," Kelton said.

Landfills generally are viewed as a nuisance by the public, but because San Angelo's landfill serves about a dozen surrounding communities, it should instead be considered a valuable asset to the city, Kelton said. But because the contract has never been bid out, he said, there is no way to gauge its true value.

"When you service a region as well, there's opportunity costs as well as income from the region," he said.

Over the last couple of years San Angelo's landfill has seen a significant increase in the amount of trash it receives, Kelton said. In 2012, it received 24,896 tons more trash than it did the previous year.

In 2011, the landfill received 146,612 tons of trash, which means the amount dumped in 2012 was 14.5 percent higher, at 171,508 tons.

Trashaway holds an exclusive contract to the city's residential and commercial single-stream collections and to the landfill operations. The contract ends in July 2014.

The city has had no issues with Republic's service, Kelton said, but putting the contract out for bids seems like a win for the city. The open market will help officials determine the landfill's real value, and if the council decides it doesn't like any of the new bidders, it can still go back to Republic.

In addition to TDS, the city recently has been contacted by a few other waste service companies interested in bidding on the contract.

"Republic's done a great job," Kelton said. "They've always been spot on in addressing (any issues)."

Likewise, Ramzinski said, Republic has had a good working relationship with the city and is supportive of its decision to put out a request for proposals. Republic intends to put forward a proposal to the city, Ramzinski said, and hopes to continue its relationship and its plans with San Angelo.

"Our proven track record puts us in a good position," he said. "We fully understand and support council's decision. Hopefully, our reputation and service will give us a nod."

The company is conducting a two-week compaction survey to test how some new equipment can help with compaction at the San Angelo landfill.

Republic also is conducting a pilot program in parts of San Angelo, testing an automated pickup service that uses specially designed 96-gallon garbage carts that are mechanically hoisted by remote control and dumped into the garbage truck, eliminating the need for trash men who ride along on the back. That project has received an 86 percent approval rating from San Angelo residents.

If San Angelo decided to implement an automated system for its single-stream collections, Ramzinski said, the upfront capital costs could be considerable, but the service would be more efficient and operation costs would be lower.

Republic is striving to keep its customers happy now that there is a new presence in the market, but it is confident it will be a good candidate in the bidding process.

"We've been the leader in the market for a long time. We know we have to earn it every day," Ramzinski said. "It's not a right, it's more of a privilege, and we have 90 employees locally and they go out and strive to earn it every day."

A FRESH NEW ACT

Of the many companies that have shown an interest in San Angelo's trash, TDS has been one of the loudest and most active.

The Austin-based company is owned by San Angelo natives Jim and Bob Gregory. It performs collection and recycling operations for entities including Angelo State University and the cities of Alpine, Georgetown, Austin and San Antonio. TDS also is negotiating an exclusive contract with Mertzson city officials.

"There's absolutely no question we can service San Angelo," Bob Gregory said. "We've never failed on any of these contracts yet."

During Tuesday's council meeting in San Angelo, some members expressed concern that TDS was a smaller operation than Republic and would not be able to meet the demands of San Angelo's growing population.

The 600-employee company has a different approach to trash than most other companies.

"It's really a very, very different concept," Gregory said. "We see composting as a resource instead of just garbage."

The TDS 2,000-acre Austin landfill takes in about 2,000 to 3,000 tons of solid waste per day, Gregory said, and has been in operation for about 23 years. One feature the company is particularly proud of is that it does not smell like a typical landfill. Next door is an exotic game ranch with 120 species, including zoo animals such as tigers and giraffes, and an event center for nonprofit fundraisers.

"You can come out there and notice what you don't smell," Gregory said. "We operate a facility that is not detrimental to the surrounding environment. We've committed ourselves to be good neighbors."

BIDDING ON THE CITY'S TRASH

For customers outside city limits, like Dusek, new competitors and the open market will afford better rates and hopefully more competitive service. Despite Republic's offers to give him a monthly rate of \$47, he decided to take the TDS offer of \$77 a month.

Because Dusek is outside the city limits, he is not constrained by the city's exclusive contract with Republic.

Likewise, San Angelo officials hope to be able to negotiate services that best meet the city's needs once it opens the contract up for bid.

"One of the biggest issues I have with our current contract is it's very vague," Kelton said. "At the time (it was drafted) there were not a lot of specific guidelines."

With a new contract, the city has the ability to name any number of requirements in a waste service contract, Kelton said, which could include upfront money and requirements for the company's community involvement.

Currently the city is averaging at a break-even point in the cost of its landfill operations, Kelton said, and he hopes that it can move to a point where the landfill is a financial asset. Although he can guess how much the city's landfill is worth and thinks the city can get a better value for its money, Kelton told the council, no one would know for sure until the contract is bid out.

"We've always thought of (landfills) as a necessary evil," Kelton said. "With new regulations, landfills have become more valuable. ... Everybody needs to get rid of trash."

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COUNCIL IN SHORT

Key points from Tuesday's City Council meeting

A zone change request for a property near Southland Boulevard and Green Meadow Drive was tabled because the district's council member, Charlotte Farmer, was not at the meeting. Greg Huling, the landowner, amended his request to a low-rise multifamily instead of a high-rise multifamily residential zone.

The council tabled a watering variance petition filed by the San Angelo Independent School District. The item was tabled after the council tied 3-3 on a motion to deny the petition, which would allow watering of newly seeded or sodded grass areas on some baseball and softball fields twice per day for 15 minutes for five consecutive days in the first week, then twice per week for the following three weeks. SAISD grounds

department staff estimated that it would require 960,000 gallons, instead of the 5 million gallons it used the year before. Grounds staff felt that it would rather preserve its baseball and softball fields and sacrifice other fields, but some council members felt the district should sacrifice the fields altogether to conserve water.

San Angelo Police Chief Tim Vasquez presented the first public hearing on regulations for the operation of golf carts on public streets. The council approved some changes to the ordinance, including a 30-mph speed limit, a requirement for all entities to pay for the permits and that passengers of golf carts can be of any age.

The Lake Nasworthy redevelopment master plan was formally adopted and added to the city's Comprehensive Plan. The plan was drafted by Gateway Planning, a Dallas consulting group that was contracted for \$335,000 through the Lake Nasworthy Trust Fund. The plan will act as a guideline for the city to develop property by the lake and includes a birding area, an integrated trail plan and a new location for the nature center.

The council approved the mayor and city manager's execution of a letter-of-intent to continue in the West Texas Water Partnership with Midland and Abilene. The cities formalized the collaboration in April 2011 so they could combine resources to pursue water supply and management projects. However, the council tabled a \$29,529 expense that finance staff brought for its approval, saying it wanted to discuss in executive session what those expenses were paying for.



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