



Republic Services' trash bid gets nod

City to begin negotiations on two contracts

By Monique Ching

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SAN ANGELO, Texas —For the first time since it acquired its landfill permit in 1984, San Angelo accepted bids for solid waste services. The City Council voted Tuesday to begin negotiations with Republic Waste Services, the same company the city has used for years.

“I am disappointed, but I’m not surprised,” said Bob Gregory, president of Texas Disposal Systems, which also submitted a bid. “I’m not discouraged. It appears they did not follow through.”

A motion for city staff to begin negotiations with Republic and return to the council with a more defined recommendation by May 6 was approved on a 6-0 vote. Councilman Marty Self was not at Tuesday’s meeting.

The city won’t know the financial impact of the two contracts — one for landfill operation and one for waste collection services — until negotiations are underway.

A selection committee ranked Republic first out of the two companies that responded to a request for proposals.

“I was impressed with both proposals,” Councilman Rodney Fleming said. “Either company would be a good company to work with. If we can’t get anything worked out with (Republic), we’ll move onto the second company.”

Some residents expressed concern that the selection committee came to a decision so quickly. The proposal deadline was March 21 — a Friday — and the committee made a decision by March 25 — the following Tuesday — based on proposals that were thousands of pages long.

“That doesn’t give you many, many, many days to thoroughly vet this,” said local resident Charles Young, who said he had no vested interest in either company. “When you take one-90th of the time to review the RFPs that it took you to generate the document in the first place, it frightens me, because it makes me think this is a cursory examination of this document. It’s a cursory examination of the long-term best interest of this town.”

City Manager Daniel Valenzuela assured residents that the committee — made up of several city staffers and council members Fleming, Charlotte Farmer and H.R. “Winkie” Wardlaw III — had San Angelo’s best interest in mind.

According to a city memo, the committee ranked the respondents based on criteria including financial impact, operational experience, financial qualifications or stability, adherence to the specifications and additional beneficial criteria submitted. Overall, Republic ranked first in those areas for both the landfill operation bid and the trash collection bid.

Shane Kelton, director of operations, said the committee members seemed well-prepared when they met to discuss the proposals March 25.

“I don’t think anyone has been cheated,” Kelton said. “The process spelled out in the RFP process was followed.”

If the city had received seven proposals — which was the number of companies it sent notices to — Kelton said the committee would not have had such a fast turnaround. He said committee members pretty much dropped everything to review both proposals so the city can begin negotiations as soon as possible.

At Tuesday’s meeting, Gregory, of TDS, also said he was under the impression the companies would have an opportunity to make an oral presentation about their proposals before the council, but they never did.

“It’s not part of the RFP process to take it before the council,” Kelton said, because many of the details are proprietary.

Kelton said the confusion probably occurred because the council had wanted to be the selection committee, until it determined that there were some legal concerns with proprietary information.

The city’s current contract with Republic expires in July. Kelton said his staff will dedicate most of its time to negotiating with Republic.

If the city can’t come to a successful agreement with the company, it will come back and negotiate with TDS instead. He was confident that staff will have a good idea by May whether it can come to an agreement with Republic.

The council also had given staff direction earlier this year on some of the services it wanted staff to look at during negotiations, such as recycling and automated cart services.

During public comment, local business leaders Del Velasquez and Tony Villarreal spoke in favor of Republic as customers and as community members, giving examples of philanthropic work Republic had done.

Gregory was concerned that Wardlaw and Farmer — who had wanted to renegotiate the contract with Republic almost a year before its expiration without bidding it out — did not have the community's interests in mind.

"I sincerely question whether these two council members are interested in seeing an open, competitive RFP evaluation process," Gregory wrote in a letter to the council and city manager.

Gregory also said at Tuesday's meeting that Republic is not authorized by city ordinance to charge customers an "Environmental Recovery Fee."

"The Environmental Recovery Fee is established at 11 percent of invoice charges, excluding tax," the Republic corporate website states. "This fee recovers costs incurred on a nationwide basis associated with operating our facilities (collection, transfer, landfill, material recovery and landfill gas-to-energy) in an environmentally responsible manner and is designed to achieve an acceptable operating margin."

Gregory, however, said Republic has been charging its San Angelo commercial customers 32 percent to 35 percent for the Environmental Recovery Fee.

"They have a monopoly here," Gregory said.

The Republic website states the fee is "not associated with any explicit, direct or indirect cost to service your account. It relates to Republic Services and its affiliates' nationwide costs throughout all operations to service all customers and is designed to achieve an acceptable operating margin."

According to the website, the fee is not a tax, surcharge of fee mandated by or remitted to a governmental or regulatory agency.

Reid Donaldson, senior area municipal services manager for Republic, said he could not comment regarding the Environmental Recovery Fee until negotiations are complete.

Kelton said he has not had a chance to look into the issue Gregory spoke about yet and was unable to comment Tuesday.

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The council again spent an extensive amount of time discussing proposed recreational vehicle and manufactured housing park regulations. A related fee schedule was again tabled on a 3-3 vote, and members reiterated that they want current park owners to be exempt from all aspects of the new ordinances — including when they expand their parks.

A zone change request from "ranch and estate" to "general commercial" for a 1.99 acre tract by Foster Road and West Loop 306 frontage road was approved on a 4-2 vote. Farmer and Councilman Johnny Silvas opposed.

The developers wanted to change the zoning for that tract to fit with the remaining 18 acres of the property zoned “general commercial.” The developers say it may become a Stripes Convenience Store. Some council members were concerned that it would bring more heavy truck traffic to the area, but others felt that the store could fit well with the area.

Speaking in public comment, Valenzuela said that, despite a recent letter from the Val Verde Water Co. giving the city until May to respond to its offer of pumping 10,000 acre-feet of water per year to the city, San Angelo will not pursue the proposal.

“The Val Verde Water Co. was one those options that is no longer being considered,” he said but assured residents that the city has two viable long-term options it is exploring.



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