

1 **San Angelo City Council Meeting, April 1, 2014: Agenda Item # 18**

2 **Mayor Dwain Morrison:** Number 18, is consideration of authorizing city staff to negotiate two separate
3 **contracts regarding request for proposal OP0114 with Republic Waste Services of Texas Limited** for, one,
4 the lease and operation of the San Angelo Sanitary Landfill and for, number two, waste collection
5 services for the City of San Angelo. Mr. Kelton, you're on sir.

6 **Shane Kelton:** Okay, I'll catch my breath.

7 **Mayor Dwain Morrison:** Sorry, buddy, didn't mean to do that to you.

8 **Shane Kelton:** I was upstairs, had to run down. Okay, Mayor, Councilmembers, we sent out RFP's for
9 solid waste services for both landfill operations and for collections to see what was out there. **We sent**
10 **out seven, um, we had seven requests for people to send RFP's to. We sent those out as stated in your**
11 **background and we received two back: one from Republic Services of Texas and one from Texas Disposal**
12 **Systems. We got in our responses, distributed them to the evaluation committee, the evaluation**
13 **committee went through them, we looked at them, we got together, we met, we scored both proposals**
14 **based on the established criteria in the RFP.** The criteria was financial impact, operational experience of
15 the respondent, financial qualifications and stability of the respondent, adherence to specifications and
16 additional beneficial criteria that may or may not have been submitted within the proposals. The
17 ranking for the proposals based on committee evaluations was for the lease and operations of the
18 sanitary landfill: Republic Waste Services of Texas was ranked first; Texas Disposal Systems was ranked
19 second. Ranking for the waste collection service: Republic Waste Services of Texas was ranked first;
20 Texas Disposal Systems was ranked second. The staff is recommending, and the committee that
21 reviewed these, is recommending that the staff, or that council authorize the staff to negotiate two
22 contracts, two separate contracts, one for the operation of the sanitary landfill and then secondly for
23 the solid waste collection services. Now this is - we're just asking for the ability to negotiate a contract
24 with the person that scored the highest on this. If we cannot reach an agreement or negotiate an
25 agreement, an acceptable agreement between both parties, we will come back to Council and ask for
26 your permission to seek authorization to negotiate with the second highest ranked proposal that we
27 have so this is strictly just authorization to negotiate. This is not a final contract. We will bring all that
28 stuff back to y'all and present it to you as a whole for y'all's approval to finalize and authorize the City
29 Manager to sign a final contract.

30 **Mayor Dwain Morrison:** I know the reason we set this committee up is so that this could be very
31 stringently vetted so that we would be able to determine what was best for our city and our committee
32 did vet this thing, and they ranked it, and the ranking was for Republic on this. So our committee has
33 done its job and it's done what we asked it to do. So the question we have today is do we vote to give
34 you the authority to continue to negotiate with the number one ranked, which is Republic on both
35 categories, and if you cannot reach a negotiated settlement which is beneficial to both of us, the City
36 and to the provider, that you would come back for another.

37 **Shane Kelton:** We would come back to ask for negotiations with the second ranked proposal.

38 **Charlotte Farmer:** I was just curious as to if we wanted to request a time frame for negotiations, you
39 know, so we can get this wrapped up and put to bed.

40 **Mayor Dwain Morrison:** Well, it's gotta be done pretty quick because it expires in July of 14 so it's kind
41 of a natural time frame.

42 **Charlotte Farmer:** No reason by May 1st? I mean, we got 30 days so...

43 **Mayor Dwain Morrison:** You think 30 days would do it, Shane?

44 **Shane Kelton:** I would hope that we would have a very good idea within the next 30 days as to where
45 we stand and hopefully within that 30 days...you know, I would hope by the May 15th meeting that we
46 are standing here with a document that we feel very comfortable with presenting to the City Council.

47 **Mayor Dwain Morrison:** I don't see a problem with that. I mean we have a natural time constraint.

48 **Charlotte Farmer:** I move for a motion to allow staff to commence negotiations with Republic, who
49 scored first, and to complete those negotiations and get an answer back to the Council within 30 days,
50 so, May 1st.

51 **Lysia Bowling, City Attorney:** With regard to both the contract and the lease, there's two.

52 **Charlotte Farmer:** Yes, both of them in one motion, both of them, yes ma'am. Thank you.

53 **Mayor Dwain Morrison:** And with a target of May one?

54 **Charlotte Farmer:** Yes. Certainly come back before then but...

55 **Mayor Dwain Morrison:** And if there's a problem then we would know where we were anyway.

56 **Johnny Silvas:** When is our first meeting in May? What day is that, Alicia? Oh, the mayor has his little
57 black book.

58 **Mayor Dwain Morrison:** I can tell you.

59 **Johnny Silvas:** Somebody knock him upside the head.

60 **Mayor Dwain Morrison:** May 6th.

61 **Johnny Silvas:** How about that, Charlotte?

62 **Charlotte Farmer:** That's fine, yeah, the first meeting in May.

63 **Mayor Dwain Morrison:** That will give you enough time, shouldn't it, Shane? Should?

64 **Shane Kelton:** We're gonna do our darndest, sir.

65 **Mayor Dwain Morrison:** Okay, motion has been made. Do I have a second on this?

66 **Johnny Silvas:** Second.

67 **Mayor Dwain Morrison:** Okay, I do have a motion and I do have a second. Do I have any further
68 Council comments on this? Anyone care to speak? Mr. Wardlaw, go ahead.

69 **Winkie Wardlaw:** Well I'd just like to compliment everybody that served on the committee, the staff
70 and the three members of the City Council. In the meetings I had, it was apparent to me that everybody
71 had done their homework and spent many, many, many, many hours and days going through, I don't
72 know, Rodney, what, 4, 5, 6 hundred pages, more than you can even count, and everybody seemed to
73 be able to distill that information to the relevant parts and focus in on what was best for the citizens of
74 this town. Everybody seemed to go into it with an open mind and the understanding of the importance
75 about getting this right for the citizens of the community and the staff did the same thing. We got this
76 thing on Friday and had to immediately drop everything we were doing and work on it for three or four
77 days, including Shane and everybody. I was really impressed and appreciative of what everybody did.
78 You know, we all have other things to do, but this is one of the most important things that this Council
79 will have to decide on and I'm real comfortable with what we did. There is no doubt in my mind that the
80 scoring was appropriate and I'm willing to talk to my constituents at the relevant time as to the reasons
81 for the decision, but I'm very comfortable that this is gonna be in the best interest of the City if Shane
82 can negotiate the type of contract that we believe that we can attain.

83 **Mayor Dwain Morrison:** Thank you, sir. Rodney.

84 **Rodney Fleming:** I just want to compliment Shane and his staff. They did an awesome job putting this
85 together. I mean, I don't know how many hours you put into this, but it was an unbelievable amount.
86 The packages that we got from both of the companies were outstanding. They both did a really good
87 job putting them together. I don't think I've read more financial statements from anybody, and just a
88 crazy amount of documents that we had that were involved in this and we had to read through on this.
89 So I feel like either company would be a good company to work with. One company just stood out a
90 little more than the other. If we can't get anything worked out with them, then, you know, like you said,
91 we'll move on to the second company. Either company will end up being a good company to work with
92 in the end.

93 **Mayor Dwain Morrison:** Any further comment, Council?

94 **Charlotte Farmer:** I'd have to agree with my committee members. That was the first time I've had the
95 opportunity to work with Shane's department and all of the clerical, the order is excellent, it's
96 outstanding. It made it easy to read and follow and the way you conducted the meeting, or chaired, it
97 just made a hard task easier. Thank you.

98 **Mayor Dwain Morrison:** Let's open it up to the public. Anyone in the public care to comment on this?
99 Need you to tell us your name and you got three to five, sir.

100 **Charles Young:** My name is Charles Young and I don't have a vested interest one way or the other. The
101 discussion that you just had I found as interesting. The last time this RFP went out, there was a request

102 for proposal, was 37 years ago. That was one of the numbers that was thrown out and discussed at the
103 City Council meeting that was in November. You (pointing to someone on Council) weren't here. 37
104 years ago. 13, 541 days. 13, 541 days. It took the City 97 days to come up with the RFP and get it in the
105 hands of the businesses. The businesses had 40 days to go through this and produce their proposals.
106 They were turned in on a Friday, reviewed over many, many, many, many days as you guys said. Letters
107 picking Republic and rejecting TDS were dated and sent out on Tuesday, the following Tuesday. I don't
108 know how a committee met many, many, many, days when they received proposals on a Friday, made a
109 determination either Saturday which I'm – I don't know whether you guys worked on a Saturday – or
110 Sunday, or Monday. You didn't work on Saturday or Sunday?

111 **Winkie Wardlaw:** We didn't meet on Saturday or Sunday.

112 **Charlotte Farmer:** Worked on it...

113 **Charles Young:** But the letters that went out that I have seen saying that there was going to be an
114 intent to negotiate with Republic was dated on Tuesday. So we spent 13, 541 days deciding for this to
115 go out to an RFP, 97 days creating an RFP, 40 days getting it back, and one working day deciding which
116 one we were going to go. The appearance of this as a fait accompli makes me nervous. I know several
117 of the people that were on the committee that reviewed this were against the issuance of an RFP to
118 start with. That was obvious in the meeting that was held here in November. The RFP went out – it had
119 a grudging feel to it. Grudgingly we will look out for the best interest of San Angelo. There was a lot of
120 discussion that went on in that meeting that, in fact, one of the comments you made, Mr. Wardlaw, was
121 "we don't want to change horses in mid-stream." Contrary to this being not 1850, we spent a lot of time
122 – and I say we I mean the City Council members – spent a lot of time defending Republic, talking about
123 Republic, talking about what a great job they've done and how they're good for the City. I didn't hear a
124 single person sitting at those seats up there discuss, or use the term "best interest of the city." Not one
125 time. What worries me is this is happening so fast under such – it seems like it's almost "we're not even
126 really going to discuss it, we don't want public input, we don't want anyone, any of our constituents to
127 see what their options are." Their RFP's haven't been available to the public at large. I called and
128 requested one. I was told it wasn't available to me. I'm not really sure why, but I was told it wasn't
129 available to me. I thought it was a public document. I thought I would be able to have access to it. I
130 didn't get it. My concern is that timeframe. These were turned in on a Friday, the letters were sent out
131 on Tuesday. That doesn't give you many, many, many days to - what was the term you used? –
132 thoroughly vet this. When you take 1/90 of the time to review the RFP's that it took you to generate the
133 document in the first place, it frightens me because it makes me think this is a cursory examination of
134 this document. It's a cursory examination of the long term best interest of this town. And it totally
135 disregards all the comment that I have seen from people in neighborhoods, at schools. I'm Treasurer at
136 Western Little League, I'm Treasurer of a PTA at an elementary school here, I'm on the board at Glenn.
137 I've talked to parents, I've talked to teachers, I've talked to kids. All of the concerns that they have, have
138 been voiced to everyone and it doesn't seem like any of them have been heard. And they can't be
139 heard in 24 hours. It is not possible for you guys to have vetted this as thoroughly as you claim to have
140 and done it in such a short time frame. My question is who was on the committee? You weren't here
141 for the request for the RFP (pointing to a councilmember). Who else was on the committee?

142 **Mayor Dwain Morrison:** Winkie.

143 **Charles Young:** Okay, he voted against going with the RFP, you voted to do the RFP. How often did you
144 guys meet?

145 **Rodney Fleming:** First of all, I take offense to you saying that I wouldn't do what is best for the city...

146 **Charles Young:** I said this gives the *appearance* of you not doing what's best for the city.

147 **Rodney Fleming:** I'm gonna tell you what's best for this city. I've looked through these contracts. If you
148 weigh both these contracts and you get both of them, which you haven't seen but we have –

149 **Charles Young:** No, I would love to.

150 **Rodney Fleming:** You can't, you can't yet.

151 **Charles Young:** I know.

152 **Mayor Dwain Morrison:** Rodney, we're still negotiating here so if there's any questions it needs to be
153 sent to Shane because this is still a negotiation that we're doing and the reason we didn't make this
154 public is because this is a negotiation that we have with two entities so it is not public information.

155 **Charles Young:** And my concern is not with the negotiation of the contract. I'm assuming that hasn't
156 started yet –

157 **Mayor Dwain Morrison:** It doesn't until we vote.

158 **Charles Young:** Right. So my concern is not the negotiation of the contract. My concern is the vetting,
159 which you talked about.

160 **Mayor Dwain Morrison:** And I appreciate your comments, sir.

161 **Charles Young:** And that was the question I had that I haven't gotten answered is how often did you
162 guys meet over these many, many, many days?

163 **Charlotte Farmer:** Sir, do you not believe or feel that three people can discuss and go over the package
164 via the phone or, you know, not being in the same room, but they are looking at the material and
165 studying it and talking to one another?

166 **Charles Young:** Well, Mr. Wardlaw, who is on the committee, said y'all didn't meet over the weekend.

167 **Mayor Dwain Morrison:** You got one minute. You got one minute.

168 **Charles Young:** I appreciate that. Didn't work over the weekend so that leaves you – these were turned
169 in Friday afternoon so maybe you worked on them on Friday afternoon, maybe you worked on them on
170 Monday, maybe you worked on them Tuesday morning before the letter went out. It seems like that is
171 a tragically short timeframe for something as important as this, as expensive as this and something that
172 has taken 37 years to get to this point. For you guys to take one day to do that, it worries me.

173 **Mayor Dwain Morrison:** We appreciate your comments.

174 **Rodney Fleming:** It wasn't one day, though. That's wrong.

175 **Charles Young:** And I ask the question -

176 **Rodney Fleming:** I got it on Friday. I started reading within – as soon as I pulled it out of the box, I sat
177 down and I started reading.

178 **Charles Young:** So you had Saturday, Friday, Saturday, Sunday, Monday -

179 **Charles Young:** Letters went out Tuesday.

180 **Rodney Fleming:** I can tell you. I mean, when you look at contracts, if you've ever looked at contracts
181 and when somebody's negotiating –

182 **Charles Young:** And you talk about hundreds of pages –

183 **Rodney Fleming:** No, thousands, thousands of pages.

184 **Charles Young:** That's a lot to go through in four days

185 **Rodney Fleming:** Yes, it is. But when you look at the main points –

186 **Charles Young:** It doesn't seem like you put in the right amount of time to me.

187 **Rodney Fleming:** Right –

188 **Charles Young:** It's the appearance –

189 **Mayor Dwain Morrison:** Let's kill this right now. Thank you for your comments, sir.

190 **Charles Young:** Thank you for your direct answers.

191 **Mayor Dwain Morrison:** Do we have any further comment? Come ahead.

192 **Mayor Dwain Morrison:** State your name and you've got 3 to 5, sir.
193

194 **Stanley Mayfield:** Thank you very much. I'm Stanley Mayfield, I own a business here in San Angelo, and
195 of course a resident of San Angelo for a number of years. I saw the article in the paper and was very
196 confused by it because it seemed to run through this entire process very quickly, and I was puzzled by
197 the fact that there would be negotiations after a vendor was chosen, which to me, is pretty tough to do.
198 How do you negotiate after your competitors, the competition issue, is no longer in the discussion? If I
199 read right this morning on one of the newscasts, this is a \$450 million dollar a year contract? And what is
200 the term of the contract?
201

202 **Mayor Dwain Morrison:** Shane?
203

204 **Shane Kelton:** There is no dollar figure or financial impact at this point to this contract. It has not been
205 negotiated to determine what the financial impact of this contract would be if we are successful in the
206 negotiation with the first company.

207
208 **Stanley Mayfield:** So, historically, what is the value of this contract? Last ten years?

209
210 **Shane Kelton:** We would have to get back to you. I can't specifically give you a direct answer as to the
211 value of a particular contract because this was over both collections and landfill management at the
212 same time so, we know what annual revenues are, and what annual expenditures have been, but we
213 would be able to provide that in a financial statement if you'd like to see it.

214
215 **Stanley Mayfield:** Somebody give us a ball park number. What kind of money are we talking about in
216 this contract? Anyone? No one has an idea?

217
218 **Unidentified voice:** No one knows.

219
220 **Charles Young:** The committee members thoroughly vetted it. Surely they know.

221
222 **Stanley Mayfield:** Historically, we don't know how much? No one has an idea, a ball park figure?

223
224 **Shane Kelton:** Yes, we do, and we can't divulge that information.

225
226 **A Council Member:** Because we're actually still in negotiations with two companies. We're gonna start
227 with one and if we don't get it worked out with the one then we go to the second.

228
229 **Stanley Mayfield:** Okay, San Angelo Live published this morning this is a \$450 million a year operation.
230 Is that correct?

231
232 **Shane Kelton:** That's wrong.

233
234 **Stanley Mayfield:** Okay, if you know that's not correct, then what is correct? A ball park? You don't
235 have to divulge anyone's bid.

236
237 **Michael Dane, Asst. City Manager/CFO:** Mr. Mayfield, the impact to the company has – there are two
238 impacts. One has to do with the operation of the landfill; one has to do with operations of collections.
239 There is a piece of that revenue that comes to the city, historically. And there is a piece of that revenue
240 that the company keeps. Those amounts are yet to be negotiated looking forward.

241
242 **Stanley Mayfield:** Historically, can anyone give me a ball park figure of the value of the contracts that
243 you're negotiating and you will sign.

244
245 **Charlotte Farmer:** In my opinion, Mr. Mayfield, if I may, the term, whether it's a 10, 20, or 30 year
246 contract, I would have to agree with you, that what I viewed, that it is a multi-million dollar contract.

247
248 **Stanley Mayfield:** Well, San Angelo Live, you tell me where they came up with \$450 million.

249
250 **Charlotte Farmer:** I have no idea.

251

252 **Stanley Mayfield:** Maybe someone is here from that organization who can tell us where they arrived at
253 the number, but...

254
255 **Michael Dane:** Mr. Mayfield, the City's budget, in the landfill enterprise fund, for this year is
256 approximately \$2.1 million, and expenditures are a similar amount, slightly less than that. That is not a
257 full representation of all the revenues and expenditures involved in these contracts; that is just the City
258 piece. So, \$2 million, \$2.1 to \$2.2 million per year has historically been the City piece of that activity.

259
260 **Stanley Mayfield:** Okay, I'm not even sure what that really represents. What kind of income, total gross
261 income, dollars, would this contract be valued at for the vendor, then? Both collections from
262 commercial, other...

263
264 **Johnny Silvas:** It depends the negotiation process that we're going to start... we're about to, if the vote
265 goes through, give him (pointing to Shane Kelton) the authority to negotiate that and then it will be
266 brought to us. So this isn't written in stone yet, they just want to go and try to hash out.

267
268 **Paul Alexander (joining Mr. Mayfield at the podium):** He just wants a ball park. It's about 4 million a
269 year for pick up: 33 thousand residents, ten dollars a resident, four million a year. Just a ball park is
270 what he wants. That's just on pickup. So the landfill is much more complicated. So ten years, \$40 million,
271 just for picking up. The landfill is still out of it. So we're getting closer. It's not \$400 million, see what
272 I'm saying? We're getting closer. It's a big contract.

273
274 **Stanley Mayfield:** It's a big number.

275
276 **Michael Dane:** Mr. Mayfield we'd be glad to sit down with you for the financial prospectus.

277
278 **Stanley Mayfield:** Well, all of us in business today are looking at...

279
280 **Michael Dane:** How much time does he have?

281
282 **Stanley Mayfield:** ... at our budgets...

283
284 **Mayor Dwayne Morrison:** He's pretty close.

285
286 **Stanley Mayfield:** We're looking at payroll costs that have increased beyond anything we've ever
287 experienced, taxes are going up, and I find it really interesting that we have a public bid that is not very
288 transparent, and I was shocked to find out we're going to select a vendor and then negotiate a price. Is
289 that not backwards?

290
291 **Lysia Bowling, City Attorney:** This is permissible under the law relating to proposals, and it's a process
292 that, and this has been published in the bid packet, the process is over a series of negotiations and it's
293 been expressed correctly by the department. So we are also, as council has said numerous times,
294 entitled by law, to protect the information, and not disclose information relating to our negotiations,
295 until after the contract is awarded.

296
297 **Mayor Dwayne Morrison:** We do have prices, Mr. Mayfield. We do know what one's going to charge
298 us, and what they're going to do; what they have proposed. We know, on the other hand, what the
299 other has proposed, what they're going to charge and what they expect. We know all these things. It is

300 part of the package through RFP that they provided this information but until we are able to negotiate
301 and come to a final decision we are not going to show our cards. And all we are going today is just
302 authorizing what the committee has chosen as the one that is first, out of the two, the one that is first,
303 we are allowing our city management to negotiate with them to come up with a negotiated contract. If
304 we cannot negotiate what we want with them then we will go to the one that was rated second. And
305 we're gonna negotiate with them. We know what they want. We know what they want for collection.
306 We know what they want for the landfill. We know all of these things, but it's not to be made public
307 until we have come to a conclusion. And you're asking for us to give all of this information to the public
308 and we haven't even negotiated it yet. We just simply vetted to get the one that we feel is best. And
309 until we negotiate, we're not going to give you those figures.

310

311 **Johnny Silvas:** Let me add that TDS doesn't know what Republic submitted and Republic doesn't know
312 what TDS submitted.

313

314 **Mayor Dwayne Morrison:** It is still two separate entities. We are just asking the council to give
315 permission to go ahead and negotiate this thing out based on the decision and on the information that
316 we have from the two RFP's, one of them is better than the other. So we want to negotiate with the
317 better one.

318

319 **Stanley Mayfield:** Well I can understand that.

320

321 **Mayor Dwayne Morrison:** When you're making a business deal you don't tell everybody exactly what
322 you're buying and what you're selling to give your competitors the chance. It has to be a secret
323 negotiation until something is made. At that time we can make everything public. But until we negotiate
324 we've got to do this the best way.

325

326 **Stanley Mayfield:** Well I guess I'm fairly limited on my experience in public bids. When we, in our
327 company bid on municipality bids and state bids throughout all of west Texas, we do submit bids and
328 people select based on...

329

330 **Mayor Dwayne Morrison:** But the people that you submit the bid to does not make your bid public to
331 the other people that are making bids because then they can change their bid. It has to be, a bid has to
332 be secret, and it has to be kept secure until the decision is made, and that's what we've got. We've got
333 two bids, but now we have to figure out which is the best, and that is done through negotiations.

334

335 **Stanley Mayfield:** Well I was puzzled somewhat by the procedure, and when you were evaluating the
336 financial impact of the proposal, (reading) "that the financial impact will be established through the
337 negotiation process" but that's after you have eliminated...

338

339 **Mayor Dwayne Morrison:** We have not eliminated. We are taking the one that was first and we're
340 going to negotiate with them. If we cannot come to a negotiation, then we'll go to the one that was
341 chosen second and we will negotiate. And you've got, I've already given you about seven minutes.

342

343 **Stanley Mayfield:** Okay, let me ask just a couple quick questions. How often is this put out for bid? This
344 is a sizable contract.

345

346 **Mayor Dwayne Morrison:** This is the first time it's been done in probably 40 years.

347

348 **Charles Young:** 37, according to...
349
350 **Stanley Mayfield:** 37 years. That's remarkable.
351
352 **Rodney Fleming:** That's a good thing, though, Mr. Mayfield, that we are doing this and there was
353 competition. There were seven companies that came to the initial meeting for the RFP. So seven
354 companies came in to look at it. I think there were 3 or 4 that were kind of serious about it and they
355 kind of moved forward a little bit, and then two rose to the top and finished it out. For them to finish it
356 out they put in thousands and thousands of dollars. If you could see the packages, which I think all these
357 packages will be public after we've made our decision. You'll see...
358
359 **Mayor Dwayne Morrison:** You've got less than a minute, sir. You've already had about 8 minutes.
360
361 **Stanley Mayfield:** I appreciate your indulgence. I have a...
362
363 **Mayor Dwayne Morrison:** Your time's up, sir. Your time is up.
364
365 **Stanley Mayfield:** ... a dumpster outside of the city limits and I did use an alternate source to Republic
366 and I got a 20% larger dumper for 39% less money. That did spark my interest.
367
368 **Mayor Dwayne Morrison:** I'm sorry, your time's up. Thank you, Mr. Mayfield. Any other public
369 comment on this?
370
371 **Paul Alexander:** I have to ask a question before I get started. I didn't hear about recycling. Are we going
372 after recycling?
373
374 **Mayor Dwayne Morrison:** It's part of negotiations, Paul. We had a proposal from TDS on recycling and
375 picking up. We had a contract, or a price, from Republic on recycling and picking up. We have not
376 negotiated this; we have not got figures yet. We simply have got the two proposals, we have picked the
377 best proposal to start with, and after we negotiate, if this is not acceptable, then we'll go to the second
378 one and negotiate with them.
379
380 **Johnny Silvas:** And if we don't like the second one...
381
382 **Mayor Dwayne Morrison:** Then we'll go out again. But we are still negotiating
383
384 **Rodney Fleming:** The RFP asked for multiple choices. And there were multiple choices by both
385 companies; they pretty much submitted the same thing.
386
387 **Paul Alexander:** I suppose I've been doing this, for me I've been doing this since late 2010, and I've
388 been asking, and asking the public about recycling, and still they overwhelmingly want recycling. They'll
389 even eliminate a pick up a week. Keep that in mind. I think it would be a travesty, I think they would
390 revolt if you didn't have recycling. So I think you've gotta do it. All right, now, here's, I'm a bit surprised,
391 and I'm just taking a little bit different angle, because I've worked this and I know it intimately, except
392 for the last ten months, but when did TDS ever say "no" to anything? Texas Disposal has never said "no"
393 to anything. And this is something I've recognized about the company. They're very bright people. I
394 asked, "Can we have green trash cans?", and they said "Sure". You know green looks like a bush when
395 it's stacked against the house. Blue is advertising what? So I asked about this with Republic and they

396 are hesitant to give us green trash cans. It's a difficult thing for them. I never got that from Texas
397 Disposal Systems. So they're very easy to work with. We talked about seasonal pick-ups, large item pick-
398 ups, and I never got a "no" from them, I always got a "yes", and I'm just wondering what happened, and
399 I can't know that answer; but it makes me curious. And I remember when I came in to the city council in
400 2010, Harold Dominguez was counting the days that contract ran out, so I contacted Harold Dominguez
401 last night and said, "Has anybody talked to you?" "No." What was it that he was counting the days for?
402 Why did he not appreciate what was going on with Republic at that time, four years ago? And then I see
403 Texas Disposal Systems having to defend themselves by bringing those subjects up to you guys, why are
404 they having to defend themselves in bringing that subject up? It's because we've all forgotten it
405 apparently; and I'm not sure that's a good idea. It just appears that way; and I can only read the
406 information I have; and it makes me wonder. And I can't get into that, and I know you guys can't get
407 into it with me, right here. I also thought that both entities would get to stand up here and present to
408 the entire council a summary, at least, to where you guys would all have a fair shot at hearing what they
409 had to say. And I think that was skipped over. If I'm correct, I'm not sure; I thought they were going to
410 be given the opportunity. Now, let me tell you about what I've learned. Today is trash pick-up day. If
411 it's a windy day, and I stick my trash can out in the morning, the lid can pop up and trash goes out. And
412 this is a windy time of season. Why would I do that, because I don't know what time Republic is coming
413 by. And I've mentioned over and over and over, you've got to be predictable. They come at 8:00 and I
414 don't have my trash can out. So I put my trash can out at 8:00 and they don't come until 4:00, and on a
415 windy day, that's when the trash goes everywhere. I asked that question with Texas Disposal Systems
416 and they say, "Hey, you know what, we have a GPS system in our trucks. We know where our truck is,
417 they're going to hit the same spot within 20 minutes, every single time and we're watching that route to
418 see if we can make it more efficient." Well why? Because they save money, they're predictable. You see
419 where I'm going with this? Saving money saves us money. If someone doesn't pick up the trash can at
420 Texas Disposal Systems, and you call and say my trash can wasn't picked up, in twenty minutes they're
421 going to send you a picture of the car that was parked in front of your trash can that prevented them
422 from picking it up.

423

424 **Winkie Wardlaw:** Mr. Mayor, I'm calling the time limit.

425

426 **Paul Alexander:** Was it really five minutes?

427

428 **Mayor Dwayne Morrison:** He's got one minute left.

429

430 **Paul Alexander:** I know how much time I have. All right, so, this is a really amazing company. It is a
431 really amazing company. And I'm going to mention this last fact. They are as local as we're gonna get.
432 These are two San Angelo boys that made this company. And when they come to San Angelo and work
433 here, they're going to work with the rest of west Texas creating a network of recycling infrastructure
434 that will come through San Angelo to go to Austin. When they go to buy parts, they can buy from San
435 Angelo vendors. I don't think that Republic can do that. You gotta ask that question. They have national
436 buying systems. They can't buy from our local people. This is pretty much a local company. And I can
437 only say I'm surprised, because I cannot get into negotiations, I realize that.

438

439 **Mayor Dwayne Morrison:** Thank you, Paul. Any other comments?

440

441 **Tony Villarreal:** Good morning Mayor and Council. My name is Tony Villarreal. I come as a private
442 citizen and also have served professionally as a public servant, as a mayor in a previous city and also as a
443 commissioner in a different county as well. And wanted to, first of all, commend you guys for putting

444 this up for an RFP. I think that's wonderful. It was long overdue. And I think the process, this process,
445 and the committee has come up with a recommendation, and I agree with that recommendation from
446 my experience as a customer, as a citizen, and also as a public servant, serving in these different
447 capacities, Republic has been outstanding. They adjust; what I appreciate most about them is they
448 adjust to the situations at hand and they're always conscious of the customer, and not the City, but the
449 citizens of the cities that they deal with. We had just quick response every time that we've dealt with
450 any situation they were always there to assist us in making sure that the citizens were completely
451 satisfied. And the customer friendly service that they give is outstanding. Their professionalism. And
452 another thing that I also appreciate about them is they involve themselves in the community. You see
453 them all over the place. Serving in different Boards and citizen and civic groups; they're always there to
454 give a helping hand. I appreciate your time and hope that you consider Republic, to continue working
455 with Republic.

456
457 **Mayor Dwayne Morrison:** Anyone else got a comment?
458

459 **Jim Turner:** Yes, my name is Jim Turner I have been a long time blogger and observer of negotiations,
460 contracting and so on in City and other government entities around. One of the things I think it would
461 be great if the City did disclose was the checklist that they use to decide what is important in this
462 contract, and what are the points you evaluated it on, and that needs to be presented to the public so
463 they know that we emphasize "this"; because it's just not a dollar amount figure that needs to go into a
464 contract like this. There are a number of different factors and each one of those needs to be weighted.
465 The impact is not just economic, it's social, cultural, recycling is going to be an impact. All of those
466 factors needs to be evaluated and how they were evaluated, what weight they were given, can be given
467 to the public without disclosing any secrets of the negotiation. These are the factors that we are looking
468 at, this is the people that scored the best on these factors and I have seen it in a number of negotiations
469 where at the end of the day before they get into the actual figures this is how much better we think they
470 did on this than the other guys; without disclosing what they did to make themselves better. That
471 checklist, those factors that you looked at beyond just a numerical monetary bottom line, need to be
472 made public...

473
474 **Johnny Silvas:** Standard Times made them public
475

476 **Jim Turner:** ...as part of this decision.
477

478 **Johnny Silvas:** The different factors, Standard Times made them public, I mean it was there.
479

480 **Jim Turner:** It needs to be part of this meeting; it needs to be part of the presentation here because
481 right now not everybody reads a Standard Times paper for a number of reasons; and whether the paper
482 had it... the paper is not the city government in the City of San Angelo. City of San Angelo needs to do
483 that as part of this deliberation. Thank you.

484
485 **Mayor Dwayne Morrison:** Shane?
486

487 **Shane Kelton:** I don't have the actual weights that were given on the criteria right now, I can get those
488 and we can give them out but the rating criteria were for both sides of the waste collection and for
489 Landfill lease operations: Financial impact of the proposal, Operational experience of the respondents,
490 Financial qualifications and stability of the respondents, Adherence to the specifications as outlined in

491 the RFP, and any additional beneficial criteria that the respondents gave in their proposal, and those
492 were the criteria that the committee used and weighted against and I don't actually have those weights
493 with me right now but we can get those pretty quick.
494

495 **Daniel Valenzuela:** Shane, you mentioned those while you did your presentation a while ago as well,
496 correct? I do want to comment here. I do want to point out that on the committee it wasn't just the city
497 councilmembers we did have the staff on the committee as well. I was on the committee; Michael Dane
498 was, and of course, Shane and Patrick were also involved; and our legal was also involved. We
499 understand as far as getting the information on a Friday and having a meeting on Tuesday I can tell you
500 at this point that there is a lot of information that all of us went through. Council as well as the staff; this
501 is something that is a really big contract I know that Paul mentioned a while ago, did anybody talk with
502 our previous city manager. I can tell you right now why he was concerned: it was the portion that
503 involved the landfill. We feel that was addressed in the RFP process and I think that if anything what we
504 got back we feel pretty good moving forward after we properly vetted it, we did spend a lot of time a lot
505 of hours on this staff as well as City Council. So I never want the community to think that we took this
506 lightly; we didn't. This was a process again that, I know that poor, I mean when we look at Patrick and
507 Shane the number of hours they spend on it as well, we came into the meeting I can look around with
508 everybody involved in that meeting, there was a lot of highlights on the information a lot of questions a
509 lot of notes on the sides that we discussed as well. So again, I know that we don't want to make it seem
510 like we are trying to be secretive as far as what we are doing. We want the best for our community, we
511 want to benefit our community and we are being very cautious at this point moving forward, making
512 sure that we negotiate a deal that is absolutely best for the community. And that's all we're looking for
513 at this point.
514

515 **Mayor Dwayne Morrison:** Anybody else got a comment on this? Come ahead, Mr. Gregory. Give it to
516 her, please. State your name and you have 3 to 5.
517

518 **Bobby Gregory:** I'm Bobby Gregory, President and Principal owner of Texas Disposal Systems. My
519 brother, Jimmy, the other owner, is here today. Thank you very much for the opportunity to talk to you
520 today. And thank you all for putting this out for RFP. Last Friday when we received the letter, it said "The
521 selection committee has completed its review of the RFP and will request authorization to enter into
522 negotiations with Republic Services" at today's meeting. The letter that was attached said, the RE: on it
523 said "RFP Selection Notification." It was our fear then, our belief then, that a selection had been made
524 by the committee. It appears that is the case at least for the first place, and that we would be shut out
525 otherwise. This left me wondering whether the three TDS proposals for landfill services, and the seven
526 TDS proposals for solid waste and recyclables collection had been reviewed or would have an
527 opportunity to come before you again. Also, by the wording of today's agenda it leaves the question as
528 to whether the work of the selection committee is complete, or whether it continues on since the city
529 staff is the one being directed to be doing the negotiating.
530

531 **The move to negotiate without public consideration of TDS proposal raises significant concerns.** First, it
532 ignores the fact that Republic already has the environmental responsibility and liability related to the
533 operation of the city landfill for more than 37 years; and from being the primary hauler of waste into the
534 landfill from the city and from the numerous communities in the San Angelo area. Secondly, **it fails to**
535 **publicly answer questions TDS has asked about in its RFP response about fees that Republic has been**
536 **collecting from commercial customers for years; apparently without authorization. Any overcharges to**
537 **commercial accounts within the city above what is allowed the exclusive operator by the city ordinance,**
538 **among other things, should be documented and considered within the final evaluation of the contractor**

539 selection. This can only be done if the city staff is able to discuss these issues with TDS representatives in
540 contract negotiations; and that the staff understands the issues and how they affect the more than
541 2,000 captive commercial and roll off accounts which Republic bills directly. Based on information made
542 public in the RFP process, in combination with a review of commercial rates approved by city ordinance,
543 as well as actual copies of invoices from commercial customers located inside the city, which illustrate
544 billing for services substantially higher than approved by city ordinance, we have reason to believe that
545 Republic's invoice charges to commercial customers have been greater than that approved by ordinance
546 by an amount in excess of \$1 million per year. It is our understanding through a review of past invoices
547 that this process of charging additional fuel fees and environmental fees greater than what we believe is
548 allowed by city ordinance has gone on for many years. TDS has specifically asked staff for ordinances
549 supporting these fees but has not yet received the information. Our review of all past rate ordinances
550 revisions that we could find shows that there is no such authorization for the significant amount added
551 to fees that Republic is now billing San Angelo commercial accounts.
552

553 Some of the council members who were not placed on the committee stated at the time that they were
554 fine with that because they would get to hear all of the presentations. It appears to me by today's
555 action, if you approve it, you will cut off an opportunity to have a presentation by TDS because TDS will
556 not be in the hunt. Why should the city council give Republic representatives the impression that the
557 selection that the selection of the city's contractor under the RFP process has been completed, and that
558 TDS will not even be interviewed or allowed to make a presentation to city council? We can only assume
559 Republic has offered...

560
561 **Mayor Dwayne Morrison:** Mr. Gregory, one minute.
562

563 **Bobby Gregory:** TDS requests that the city council not approve Agenda Item 18 and thereby not direct
564 city staff to negotiate exclusively with Republic. Instead, TDS requests that city council and staff post a
565 separate agenda item for city council consideration at its next meeting to direct city staff to negotiate
566 contracts with both Republic and TDS for both landfill and collection services, and to allow both
567 respondents to make presentations for their proposal to council prior to moving forward with any
568 contract negotiations. This would allow the city to fulfill the intent of the RFP and enable the city council
569 to have the choice between two contractors when considering your final decision. Thank you very much.
570

571 **Mayor Dwayne Morrison:** Thank you, Mr. Gregory.
572

573 **Mayor Dwayne Morrison:** Anyone else got a comment? Come ahead, sir. State your name, you've got
574 3 to 5, buddy.
575

576 **Marty Behrens:** Marty Behrens with Cisco Equipment here in San Angelo. I'm also on the board of
577 directors of the San Angelo Blues Society, and I'm here to speak on behalf of Republic Services in regards
578 to their community support and involvement. Every year we do a blues festival that's free to the public
579 which this year is on May 10th, everybody's invited, and Republic Services has always been a strong
580 supporter of this, and we generate scholarships out of this, and that's a big part of why they're involved.
581 I see their involvement in lots of other activities, and charitable events around town. They not only
582 involve themselves with our festival financially and in kind support, but also they have people show up
583 and hand out water and set up a tent there. I know this is generally all about the Benjamin's here on
584 this RFP, however in regards to some other items outside of that I sure support Republic Services.
585

586 **Mayor Dwayne Morrison:** Thank you Marty. Who's next? Anything further you need to add, Shane?
587 Anything the council needs to add? Any other further comments? Charlotte will be right back. She's
588 taking a little break.

589
590 **Winkie Wardlaw:** I might just make a comment or two while we're killing time. I think it's a little
591 unfortunate the way it worked out that we got so compressed with time. I would have liked more time
592 too and I always liked more transparency. It's just the way the municipal bidding process is it does not
593 allow us to have the transparency that we would have liked. And we're running up against the expiration
594 of the other contract and I wish that we could have had more time. I wish that I hadn't of didn't have to
595 dedicate 4 days in a row and pull off my own individual businesses, and spent all the time going through
596 all these documents carefully, but that's the way it worked out, and I don't think it's anybody's fault, and
597 it just slipped up on us time wise. I guess we can blame Shane a little bit because his RFP was so
598 comprehensive and so voluminous and so slanted, or directed toward the protection of the citizens of
599 this town and making sure that everything was put on the table, that it took a good while to get this RFP
600 to come out. And I wish it had come out a couple months earlier, but sometimes we don't have the
601 luxury of having the amount of time that we want. But here again I'm real confident this is going to
602 come out the best for the city however it turns out. And, you know, we're unpaid volunteers up here
603 taking our time, and we took the cards that were dealt us and we reacted and did the best we know
604 how and I think some of us have experience in financial matters, legal matters, and as the City Manager
605 said, we looked at all this stuff real carefully and discussed it in detail, and there was no cursory
606 examination of this whatsoever.

607
608 **Mayor Dwayne Morrison:** Thank you, sir. Got a little more time. All right there's another public
609 comment.

610
611 **Del Velasquez:** Hello my name is Del Velasquez I'm the executive director for Downtown San Angelo.
612 And I believe in previous council meetings I've also spoken about the philanthropic work that Republic
613 Services has provided Downtown San Angelo and relationship to a major project that we undertook. I
614 hate reiterating this point, but the fact was that the largest number of in kind contribution for helping us
615 with the revitalization efforts that we're undertaking with the Roosevelt Hotel was Republic Services. So
616 I just leave that in your hands, I do know they've been a real good partner for our community in
617 relationship to what that does, and I also brought up, and I don't think legally you can do this, but I will
618 make this point, I know coming from a corporate background, I know that when we look at suppliers and
619 vendors that we were looking at, we did look at the component of what does this company do in the
620 community that we serve? So I just wanted to throw that out as well. If you have any questions I'd be
621 more than happy to answer.

622
623 **Mayor Dwayne Morrison:** Thank you, Del.

624
625 **Del Velasquez:** Thank you.

626
627 **Charlotte Farmer:** Mr. Mayor, I apologize, for having to leave quickly, having trouble breathing here.
628 But I did hear every word because it's piped all the way through, so I didn't miss anything.

629
630 **Mayor Dwayne Morrison:** Okay, motion has been... reiterate the motion.

631

632 **Lysia Bowling, City Attorney:** I have, “Motion to authorize staff to negotiate contract and lease with
633 Republic Waste Services of Texas, Limited within the designated time, presenting final draft contracts to
634 city council by May 6, and as presented was made by council member Farmer.”

635
636 **Mayor Dwayne Morrison:** Seconded by Fleming.

637
638 **Winkie Wardlaw:** Didn’t we say both the landfill and waste collection?

639
640 **Mayor Dwayne Morrison:** Both aspects. All right, we’ve had council comment, we’ve had public
641 comment, and if there’s any other comment from the public, now’s the time, we’re about to vote on
642 this. All in favor say Aye. Any opposed, nay. Drop a 6-0 on it.