



## Plaintiffs in Trash Lawsuit Speak

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by Joe Hyde

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Acme Iron and Metal, a local San Angelo business is joined by Mayfield Paper Co. of San Angelo in a six-point lawsuit against Republic Services, accusing Republic of overcharging its commercial dumpster customers in San Angelo. The draft lawsuit had four causes of action. The finalized version that plaintiffs said was filed just after noon Monday has six. They are:

1. Breach of contract
2. Unjust enrichment
3. Violations of Texas Deceptive Trade Practices Act
4. Discriminatory Treatment by a Public Utility
5. Fraud
6. Negligent misrepresentation

***(The text of the lawsuit is available here (in \*pdf))***

Acme's owner is also the CEO of Texas Disposal Systems, Bob Gregory. Mayfield Paper, is owned by San Angeloan Stanley Mayfield. Gregory said yesterday during the press conference that he did not feel that the City of San Angelo's Request for Proposal process seeking a new trash and landfill contractor for San Angelo was fair to his company. This lawsuit followed TDS' non-selection for the final negotiations. The new contract with Republic is presented to the San Angelo City Council this morning for approval.

Gregory dismissed the question that he was suing Republic over the suspect fuel and environmental charges because he was a sore loser when he doesn't get his way.

"I've been in business many, many years and I've not gotten my way many, many times. We have been in business for 37 years and we have had a few cases where we didn't believe we were treated properly," Gregory said.



Texas Disposal Systems CEO Bob Gregory. (LIVE! Photo/Joe Hyde)

He described his recent lawsuit that TDS won against the City of Austin. "TDS was disqualified before TDS was qualified even to be qualified," Gregory said of the Austin case. Republic was the contractor there, too.



**Bob Gregory, CEO of Texas Disposal Systems, explains what is wrong with the City's proposed new contract with Republic Services. (LIVE! Photo/Joe Hyde)**

"One can say that I have challenged [entities in court], and I have. In that case [in Austin], we won. But this is certainly a very small percentage [of times we go to court]. That's because we compete very well against these companies for their business," Gregory said.

Stanley Mayfield said that he was grateful that Gregory and Texas Disposal Systems came into the San Angelo market. "Going to the extent that they have to explain the contract that we have," he said. "I am embarrassed for our city because it appears that we've had someone asleep at the wheel and no one monitoring the [existing] contract...and allowed this to happen. And had

TDS not come to town, I guess we'd still be paying those fees, and this wouldn't be a point of contention, and just rolled over into the next contract," Mayfield said. "I am appreciative of them coming and ringing the wakeup bell for us."

Regardless of the outcome of the trash decision today, Gregory and Mayfield plan to move ahead with the lawsuit.

During the one-hour and 15-minute press conference Monday, after announcing the lawsuit, Gregory moved away from it and presented the audience with a 200-plus page, three-pound folio of documents spread across 14 tabs describing the problems with the contract that will be decided upon Tuesday.

In the end, Gregory requested that the city throw out the contract, and the RFPs, start over, after the outcome of an investigation.

He also called for a criminal investigation of the alleged Republic overcharges.

Here is what TDS requested of City staff:

1. Just say No to the Staff proposed contracts and rate ordinance revisions proposed in the City Council's 7/1/14 Agenda Items 15 and 16; and
2. Throw out the related RFP process and responses; and
3. Immediately end the overcharge of Republic's ongoing unauthorized fees and taxes to commercial customers; and
4. Direct City staff to negotiate a six month extension of the existing contract with Republic, or, in the alternative and as a fallback position, to negotiate with TDS for a six month waste collection

service contract at the same prices paid currently to Republic for residential collection and set by Ordinance for rates for commercial customers, during the RFP process; and

5. Permanently remove Commercial waste collection services from the exclusive contract (currently being negotiated with Republic), and to allow for an open and competitive non - exclusive franchise market to provide businesses the option of contracting with the service provider of their choice, at open market competitive rates;
6. The City should hire an independent third party auditor to determine the extent of overcharging that has taken place by Republic in all rates regulated under the current and prior contracts over the past 20 years; to publicly disclose the audit findings; and to take every action necessary under the current contract to compel Republic to refund 100% of the charges, with interest, not authorized by City ordinance to each business that has been charged more than is allowed, prior to any new contract approval between Republic and the City, beyond a month to month necessary extension of the existing contract to allow time for the refunds to be determined and completed.
7. Initiate a new Request For Proposal process to acknowledge and allow open market competition for non - exempt Commercial waste collections services, to allow Republic to continue to operate the City controlled existing City landfill until its capacity is consumed, and to include proposal opportunities for the permitting and operation of a new modern landfill for use after the existing landfill's remaining capacity is consumed, and for collection and disposal of residential solid waste in the existing landfill and the responsible collection, processing and marketing of residential single stream recyclables.
8. Allow at least a two week public review period of posted finally negotiated contracts and rate ordinance revisions, prior to the City Council voting on long term solid waste services contracts.