

June 19, 2014

**This concerns the City of San Angelo, Texas Request For Proposal and the related contracts, and ordinances to be considered by affected parties and the City Council over the next several months for Commercial and residential solid waste and recyclables collection services and City owned landfill operations services.**

**FACT SHEET related to San Angelo, Texas Solid Waste Services**

- The City of San Angelo now contracts exclusively with Republic Waste Services of Texas, LTD (“Republic”) for the operation of its landfill and for collection of legally-non-exempt commercial, industrial, institutional (the three types collectively referred to herein as “Commercial”), and residential solid waste.
- After more than 37 years without a competitive bidding process for solid waste services, the City issued a Request For Proposal (RFP) for these services on February 11, 2014, and voted on April 1, 2014 to enter into negotiations with Republic for new contracts for the collection of solid waste and recyclables and for the ongoing operation of the existing City landfill, which could potentially extend Republic’s contractual relationship with the City for an additional fifteen or more years.
- Republic has operated the City landfill for approximately 30 years and is already bound by its current contract with the City for the responsibility and operations liability related to the operation of the City landfill and its closure and post-closure liability; so it should come as no surprise that Republic would be willing to pledge financial assurance funds for the City landfill closure, post-closure care and remediation liability under a new contract with the City, as part of its recent RFP response.
- The City Council establishes by ordinance the rates that are to be charged to Commercial and residential customers for collection and disposal of solid waste.
- Republic has had the exclusive right to service the City controlled Commercial customers and is responsible for billing those customers directly in accordance with the rate ordinance adopted by the City Council.
- A review of past and current Republic invoices to Commercial customers within the city limits shows that Republic has charged Commercial customers a fee, most often identified for many years as a “Fuel/Environmental Charge” and a “Total Fuel/Environmental Recovery Fee,” which is believed to have increased to more than 30% in excess of the rates approved by the City Council and established by current rate ordinance.

- Charging rates in excess of those established by City ordinance is illegal and constitutes a breach of contract and a breach of the fiduciary responsibility entrusted to Republic as the City's exclusive service provider and billing agent for non-exempt Commercial accounts.
- The Commercial customers in San Angelo are not receiving the intended benefit of having an exclusive service provider controlled by a City rate ordinance, if the exclusive service provider charges rates in excess of those allowed by City ordinance.
- Business representatives within the San Angelo city limits urge the City Council to 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.
- Business representatives within San Angelo also urge the City Council to 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.
- Business representatives within San Angelo also urge the City Council to 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 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.
- Business representatives can join other San Angelo businesses in making these requests of the City Council by signing the petition through one of the business organizations gathering signatures, or at [www.sanangelospeaks.com](http://www.sanangelospeaks.com).