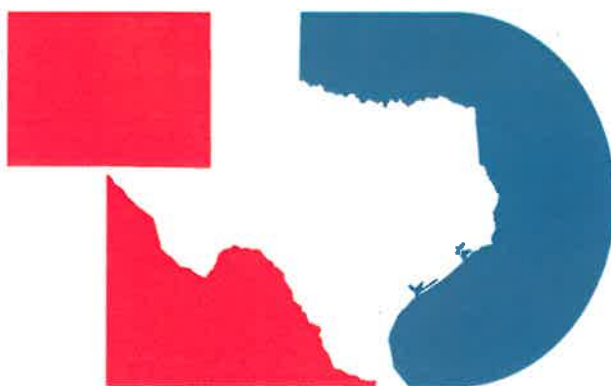


Proposal *for* City of San Angelo

RFP No: OP-01-14



TEXAS DISPOSAL SYSTEMS

Texas Disposal Systems, Inc.
P.O. Box 17126
Austin, Texas 78760
Tel (512) 421-1300
Fax (512) 421-1325
www.texasdisposal.com

March 21, 2014



TEXAS DISPOSAL SYSTEMS

TEXAS DISPOSAL SYSTEMS, INC. TEXAS DISPOSAL SYSTEMS LANDFILL, INC.

P.O. Box 17126
Austin, TX 78760-7126
512.421.1300
512.421.1325 (FAX)
www.texasdisposal.com

March 21, 2014

City of San Angelo
72 West College Avenue
San Angelo, Texas 76903

Dear Mayor, Council Members and City Staff,

Texas Disposal Systems, Inc. and Texas Landfill Management, LLC (TDS) are pleased to present their responses to RFP No: OP-01-14 for Lease and Operation of Sanitary Landfill and Waste Collection Services.

As you know, the services that are the subject of this RFP have not been competitively bid in over 37 years, if ever. Thank you for allowing this Request For Proposal process. TDS is now prepared to meet with the Proposal Evaluation Committee as appropriate, and to discuss all aspects of the City's solid waste services program and the options we have proposed. I encourage each of you to carefully read all of the proposals submitted and to take the time necessary to understand the issues that City staff has been challenged with addressing for years.

Much was said publicly by certain Council members during the lead up to the issuance of this RFP, to the effect that Republic Services has been an excellent partner for the City, and perhaps the City should merely review the options that might be available before automatically extending the current contract for an additional five years in a manner similar to its current requirements. TDS has discovered numerous things over the past year and through this RFP process, which form the basis for me to respectfully suggest to you that this is not an appropriate characterization of how Republic, and its predecessor, have serviced the City since the Duncan family ceased to own Trashaway, Inc.

Due to the very short, but convoluted contract between Republic and the City, and the fact that it has not previously been subjected to the scrutiny normally associated with public review and evaluation that comes with a competitive bidding process, TDS' impression is there has been very little accountability for Republic and the predecessor companies Republic purchased. In this accountability vacuum, Republic has demonstrated a willingness to conduct its business with what appears to TDS to be a strong focus on its own bottom line that is incommensurate with the fiduciary responsibility that ought to be expected of a large company that has been entrusted with control of such a large and environmentally sensitive City asset, and is relied upon for the

accurate direct billing of commercial services. As addressed more fully below and in the TDS proposal responses, it appears that there has been significant mismanagement of the landfill, as well as an apparent systematic over billing of the commercial accounts in the collection portion of the contract. One example involves the landfill permit soil balance calculation, which calls for a 297,900 cubic yard surplus of soil over the life of the site. Republic's management of the site has resulted in a soil deficit to the extent that landfill cover and closure soils appear to have been almost completely depleted a decade before Republic's most recent projected date the landfill will be filled. This creates a major hurdle for any other operator wanting to assume the operation of the existing landfill. This is a serious and very costly problem in and of itself, but perhaps indicates there may be additional unknown problems with the landfill. TDS found serious problems left by Republic at the City of Alpine landfill after TDS took over that contract from Republic on March 1, 2007. Please see the statement explaining those problems included within the TDS RFP response. As another example, it has become clear to us that Republic has billed the commercial customers in San Angelo significantly more than the amount stated in the City ordinance.

As demonstrated in our proposal, the City now has an option to select another operator and to begin addressing these problems, and finally have a contract that can be easily administrated and audited by City Staff.

TDS proposes to enter into good faith negotiations with the City, utilizing the RFP and the TDS response as a framework for a long term comprehensive agreement for TDS to provide collection, recycling, processing and disposal services to the City. Considering that the landfill entrance has to be moved and a new scale house, scale and entry roads must be built if another landfill operator is to operate the existing landfill because Republic owns those existing facilities; and because Staff has reported that Republic has buried waste on the site of the City landfill outside the authorized limits for waste disposal; and because insufficient daily, intermediate and final cover soils exist on the existing landfill site to complete the construction of the landfill; and because there are sincere questions remaining regarding the reported lack of waste compaction consuming the City's landfill capacity in recent years; and because there is a serious shortage of funds earmarked to cover the cost of landfill closure and post closure, and to address corrective action for off-site contamination migration; and because Republic apparently chose to charge San Angelo commercial customers more than the amount stated in the City ordinance which gave them exclusive service rights to those customers; and because of Republic's failure to offer a full range of container sizes and service frequency options, forcing commercial customers to subscribe to more service and in most cases pay more for that service than is necessary for their level of trash generation; we believe the time is ripe for a thorough evaluation of the past performance of Republic and the drafting of one or more contracts that meet the short term and long term needs of the City. My criticism is of Republic Services for the way they have taken advantage of the City. I am not criticizing City Staff, or the Mayor, or the

City of San Angelo
March 21, 2014
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Council in their efforts to manage the Republic contract and/or to protect the City's best interests.

TDS recognizes that the final agreements may not be precisely reflective of the City's RFP or of the TDS responses to the RFP, and TDS hopes the City will realize that the ideal situation for all parties will require a degree of flexibility. However, I am confident that if the City decides to complete the process, the end result will be worth the effort.

Thank you again, Mayor, Council Members and City Staff for your thoughtful consideration of the TDS proposals.

Respectfully,

A handwritten signature in black ink, appearing to read "Bob Gregory", written in a cursive style.

Bob Gregory
Chairman & CEO
Texas Disposal Systems, Inc.

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Executive Summary

Texas Disposal Systems, Inc. (TDS) www.texasdisposal.com is a fully integrated solid waste services company with headquarters in Austin, Texas. Founded in 1977 in Austin, by brothers Bob and Jim Gregory as a single truck, one customer solid waste hauling company, TDS has since developed into a nationally recognized leader in environmentally sound waste management, recycling, composting and innovative waste diversion practices. With a commitment to customer satisfaction and environmental preservation, TDS has become one of the largest independently-owned, solid waste collection, processing and disposal companies in the nation.

In 1990, TDS received a permit authorization for the state's first integrated landfill, composting and recycling facility. Operations at this 2,000+ acre facility now include: the TDS flagship offices and equipment maintenance campus; a 732 acre RCRA Subtitle D compliant landfill; a landfill gas collection system; a citizen's drop off/re-sale/buy-back center; brush and clean organic products grinding and compost production; organics and soil products blending; construction and demolition waste recycling; scrap metal processing; alternative fuels processing and production; residential and commercial single stream and source separated materials recovery facility; an Eco-industrial park; a tree farm; a "Garden-Ville" organic products retail sales outlet; a resident artist studio; and an exotic game ranch and community events facility. TDS is committed to operating all of its facilities in a manner that does not adversely affect the environment or its neighbor's quality of life. In 2008, TDS received the Solid Waste Association of North America's (SWANA) most prestigious Gold award for Excellence in Landfill Management.

In addition to its flagship integrated facility, TDS operates several transfer stations, compost production facilities, and organic retail outlets throughout central Texas, as well as a municipally-owned landfill and recycling center located in Alpine, Texas. TDS has 30-year contracts with both the City of Austin and the City of San Antonio to process and dispose of their solid waste. TDS disposes of 100% of the waste collected by the City of Austin, and 100,000 tons per year of solid waste collected by the City of San Antonio and delivered to the Starcrest Transfer Station for transporting to Austin. Since 2010, TDS has processed and marketed residential single stream recyclables collected by the City of Austin. In 2012, the City of Austin awarded TDS a 20-year contract to process and market a portion of its residential recyclables, which is currently approximately 45%, or 24,000 tons per year, of the City's residential recyclables.

The TDS Austin integrated facility and business model has been developed and refined over the past 37 years into an example of the value TDS can bring to community partners, such as the City of San Angelo where co-owners Bob and Jim Gregory were born and raised. In fact, they grew up working in the scrap metal business, Acme Iron & Metal Co., which their father founded in San Angelo more than 62 years ago, and which Bob Gregory has continued to own and operate since 1984 as a valuable contributor to the San Angelo business community.

Implementation of appropriate aspects of the TDS facility development model in other markets outside of central Texas and in select locations in the United States has long been a strategic goal of TDS, and we can think of no better place to do so than the region and City that helped make us what we are today.

Included in our proposal for landfill services are a number of options for the City's consideration, which we believe can serve as a framework for a quick negotiation process that will result in the most optimal outcome for the City of San Angelo, provide a pathway for the City to work its way out of the unusual circumstances it finds itself with its current contractor (i.e. deficient landfill operation, waste buried by the contractor in unauthorized areas on the landfill site and not yet relocated, the contractor overcharging commercial accounts above what is allowed under City ordinance, etc.), and provide a long term solution to the City's solid waste management needs while leveraging its position, and this solicitation process, to turn the City's management of solid waste in San Angelo from a liability to an asset.

- Option 1 - TDS commences operation of the existing landfill on a cost plus basis a City indemnity from liability.
 - Unfortunately, since this contract has not been put out for bid during the last 37 years, the current operator (and the companies liability it has assumed) has not had to bear the typical amount of accountability regarding the operations of the landfill. This has resulted in a number of known problems with the landfill, such as the lack of management to better control landfill gas and leachate contaminate migration, waste burial in unauthorized areas of the landfill site, inadequate compaction or questionable tonnage reporting, and inappropriate soil balance planning. Based on our experience, these issues are likely symptomatic of operating practices that could lead to the discovery of other problems that are currently unknown. Accordingly, TDS cannot accept liability for the site, and requires the protection of an indemnified cost plus arrangement. Further, TDS can build a portable gatehouse and scale, to manage the receipt of waste entering the existing landfill, which will be available for relocation to the new landfill, at the appropriate time.
- Option 2 - TDS will serve as a cost plus operator of a new landfill facility designed and permitted by the City, with a City indemnity from liability.
- Option 3 - TDS will permit a new landfill on land leased from the City under a 30 year, or life of site lease. TDS would be the owner of the permit and would assume all liability and responsibility for design, permitting, construction, operation, closure, financial assurance and post closure care for the site.
 - TDS is unable to provide proposed rates to the City for Option 3 at this time, due to a number of factors. Primarily, that we cannot with certainty foresee the landfill design requirement appropriate for the City owned property, when this facility could commence operations, and which aspects of the TDS collection proposal the City will select, whether the compost and recycling facilities construction will be appropriate; and we cannot with certainty foresee the level of growth in the region that may take place in the coming years due to industrial development just now beginning to take place and prior to the opening of a landfill potentially a decade from now. However, TDS is willing to quickly negotiate a pricing and compensation formula that would

provide parameters on what TDS could charge and pay the City over the life of the site. We believe that such an arrangement is to the benefit of both TDS and the City, as a greater degree of certainty in the future regarding several unknowns will allow for a more equitable distribution of risk, and would allow a rate structure that provides the City the opportunity to share the benefits of the economies of scale associated with regional growth and TDS' growth in the region.

It is with a particular sense of pride that the Gregory family and TDS present this proposal to our hometown. The success of TDS has been in no small part due to the values of hard work, honesty and thrift that come from our West Texas heritage. As a long term partner of TDS, the City of San Angelo will be the beneficiary of the following value propositions:

- A facility operator with a demonstrated commitment to diverting as much waste from landfill disposal as is economically possible.
- A facility operator that has set the standard for responsible management of environmentally compliant solid waste facilities and neighbor friendly operations.
- A partner with a demonstrated commitment to the development of innovative waste diversion and management practices.
- A partner with a national reputation for integrity and principled management.
- A partner that has NEVER been opposed by an environmental group.
- Personal commitment and dedication of a family business with the resources of a large corporation.
- An operator that measures its success not only by financial performance, but by its positive impact on the community, its employees, and the environment.

TDS owners and officers are confident a partnership with TDS can provide the City of San Angelo the best opportunity for the long term benefit and well-being of the citizens of San Angelo, and the environment they live in. TDS will demonstrate and prove that San Angelo is better off with TDS, than without, if only given the opportunity to serve the City's residents and business community.

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CITY OF SAN ANGELO
PURCHASING DEPARTMENT
72 West College Avenue, San Angelo, Texas 76903
Tel: (325) 657-4219 or 657-4220

General Information, Attachment A
To be submitted with Respondent's Proposal as

TAB 2 for Landfill Lease and Operation

TAB 10 for Waste Collection Services

1. Respondent Information: Provide the following information regarding the Respondent.

(NOTE: Co-Respondents are two or more entities proposing as a team or joint venture with each signing the contract, if awarded. Sub-contractors are not Co-Respondents and should not be identified here. If this proposal includes Co-Respondents, provide the required information in this Item #1 for each Co-Respondent by copying and inserting an additional block(s) before Item #2.)

Respondent Name: Texas Landfill Management, LLC
(NOTE: Give exact legal name as it will appear on the contract, if awarded.)

Principal Address: 12200 Carl Road City, Creedmoor State Texas Zip Code: 78610

Telephone No: 512-421-1300 Fax No: 512-243-4123

Website address: www.texasdisposal.com

Social Security Number or Federal Employer Identification Number: 75-2503861

Texas Comptroller's Taxpayer Number, if applicable: _____
(NOTE: This 11-digit number is sometimes referred to as the Comptroller's TIN or TID.)

DUNS NUMBER: 62-616-2178

Business Structure: Check the box that indicates the business structure of the Respondent.

☐ Individual or Sole Proprietorship If checked, list Assumed Name, if any: _____

☐ Limited Liability Corporation

☒ S Corporation If checked, check one: ☒ For-Profit ☐ Nonprofit
Also, check one: ☐ Domestic ☐ Foreign

Other If checked, list business structure: _____

Printed Name of Contract Signatory: Bob Gregory

Job Title: CEO & President

Provide any other names under which Respondent has operated within the last 10 years and length of time under for each:

Provide address of office from which this project would be managed:

City: San Angelo State: Texas Zip Code: 79603

Telephone No. 325-653-1133 Fax No: 325-657-2925

Total Number of Employees: 164

Briefly describe other lines of business that the company is directly or indirectly affiliated with:

List Related Companies:

Texas Disposal Systems, Inc.

Acme Iron and Metal

2. **Contact Information:** List the one person who the City may contact concerning your proposal or setting dates for meetings.

Name: Ryan Beard Title: Municipal Sales Manager

Address: 12200 Carl Rd.

City: Creedmoor State: Texas Zip Code: 78610

Telephone No: 512-659-0602 Fax No: 512-421-1325

Email: rbeard@texasdisposal.com

3. **Mergers:** Does Respondent anticipate any mergers, transfer of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months?

 Yes x No If "Yes", list authorizations/licenses.

4. **Licenses:** Is Respondent authorized and/or licensed to do business in Texas?

 Yes x No If "Yes", list authorizations/licenses.

State of Texas Charter #07033102, Date of Incorporation January 13, 1998

5. **Headquarters:** Where is the Respondent's corporate headquarters located?

12200 Carl Rd., Creedmoor, TX 78610

6. Debarment/Suspension Information: Has the Respondent or any of its principals been debarred or suspended from contracting with any public entity?

_____ Yes x No

If "Yes", identify the public entity and the name and current phone number of a representative of the public entity familiar with the debarment or suspension, and state the reason for or circumstances surrounding the debarment or suspension, including but not limited to the period of time for such debarment or suspension.

7. Surety Information: Has the Respondent ever had a bond or surety canceled or forfeited?

_____ Yes x No If "Yes", state the name of the bonding company, date, amount of bond and reason for such cancellation or forfeiture.

8. Bankruptcy Information: Has the Respondent ever been declared bankrupt or filed for protection from creditors under state or federal proceedings?

_____ Yes x No If "Yes", state the date, court, jurisdiction, cause number, amount of liabilities and amount of assets.

9. Disciplinary Action: Has the Respondent ever received any disciplinary action, or any pending disciplinary action, from any regulatory bodies or professional organizations?

_____ Yes x No If "Yes", state the name of the regulatory body or professional organization, date and reason for disciplinary or impending disciplinary action.

10. Previous Contracts:

a. Has the Respondent ever failed to complete any contract awarded?

_____ Yes x No If "Yes", state the name of the organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

- b. Has any officer or partner proposed for this assignment ever been an officer or partner of some other organization that failed to complete a contract?

☐ Yes ☒ No If "Yes", state the name of the individual, organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

- c. Has any officer or partner proposed for this assignment ever failed to complete a contract handled in his or her own name?

☐ Yes ☒ No If "Yes", state the name of the individual, organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

THIS FORM MUST BE RETURNED WITH THE PROPOSAL
--

CONFLICT OF INTEREST QUESTIONNAIRE**FORM CIQ****For vendor or other person doing business with local governmental entity**

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

N/A

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship._____
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes☐ No

Not Applicable

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes☐ No

Not Applicable

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes☐ No

Not Applicable

D. Describe each employment or business relationship with the local government officer named in this section.

None

4_____
Signature of person doing business with the governmental entity_____
Date**THIS FORM MUST BE RETURNED WITH THE PROPOSAL****Adopted 06/29/2007**



CITY OF SAN ANGELO

PURCHASING DEPARTMENT

72 West College Avenue, San Angelo, Texas 76903

Tel: (325) 657-4219 or 657-4220

Debarment and Suspension Certification

- (1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
- (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Texas Landfill Management, LLC

Company

By

CEO & President

Title

12200 Carl Road

Address

Creedmoor, TX 78610

City, State Zip

Note: Agents must provide evidence of authority to bind corporation.

THIS FORM MUST BE RETURNED WITH THE PROPOSAL

3

Experience, Background, Qualifications and References

Texas Disposal Systems (TDS) and the Gregory family have been in the business of collecting and processing waste, recyclables and compostables for decades. More than 62 years ago, the Gregory family founded Acme Iron & Metal Co. in San Angelo, and Bob Gregory purchased it from his father in 1984 and continues to operate it as San Angelo's largest recycler today. In 1977, the Gregory family founded TDS in Austin and has grown from two employees to over 600. In 1990, TDS received a permit for the state's first fully integrated recycling, composting and municipal solid waste landfill facility. The 2,000+ acre facility is located southeast of Austin, just 11 miles from the State Capitol building. In addition to this award-winning flagship facility, TDS owns and/or operates numerous other waste management and processing facilities throughout central and west Texas. TDS is proud of the reputation it has built over the last 37 years for being "Noticeably Different, Noticeably Better." The Gregory family is particularly proud to have the opportunity to offer its solid waste collection and disposal services to the City of San Angelo for the first time.

TDS Owned and/or Operated Facilities

- TDS Integrated Solid Waste Processing, Landfilling, Recycling and Composting Facility
Located southeast of Austin
12200 Carl Road
Creedmoor, Texas 78610
TCEQ Permit No. 2123
 - Current and planned facility operations within the 2,000+ acre facility include:
 - 732 acre permitted municipal solid waste landfill situated just outside the City limits of Creedmoor, recycling and composting facility with manned scale house, citizen's convenience center and buy-back/resale center;
 - Brush and clean organics grinding, active windrow and static pile compost production facility and organic products blending and bagging. A TDS owned and operated retail store also onsite (Garden-Ville);
 - LEED Silver certified 107,000 sq. ft. materials recovery facility capable of receiving, processing and marketing in excess of 10,000 tons per month of residential and commercial recyclable materials;
 - Construction and demolition waste recycling and diversion reporting for applicable Green Builder and LEED certifications;
 - Alternative fuel processing and production;
 - Landfill gas collection and flaring, and planned gas-to-energy plant;
 - Ferrous and non-ferrous scrap metal buying and processing;
 - Scrap tire storage and processing;
 - 210 acre Eco-industrial park with industrial zoning approved by Creedmoor;
 - Green house and 40+ acre growing operation with thousands of containerized trees, shrubs and grasses;
 - Legislature approved Municipal Utility District and planned waste water treatment facility; and
 - Community events pavilion and exotic game preserve featuring approximately 2,000 animals representing 100+ species.

- The municipal solid waste landfill operates 24 hours a day 6 days a week and receives 2,500 – 3,000 tons per day of acceptable municipal solid waste. The landfill is permitted to receive unlimited tons and vehicles per day.
 - Annual tonnage amounts landfilled at the facility during the last five years: 682,383 tons in FY2013; 641,119 tons in FY2012; 575,293 tons in FY2011; 641,573 in FY2010; and 729,506 in FY2009.
 - TDS was solely responsible for the design, permitting and construction of the entire facility, and has been the sole owner and operator since it opened in 1991.
 - TDS holds 30-year contracts with both the City of Austin and City of San Antonio for provision of landfill disposal services. The City of Austin delivers 100% of the waste it collects to this landfill. Via transfer station, TDS transfers 100,000 tons per year from northwest San Antonio collected by the City of San Antonio. TDS also holds a 20-year contract with the City of Austin for single stream recyclables processing and marketing services for approximately 24,000 tons per year.
 - Solid Waste Association of North America named TDS as the Gold recipient in the Landfill Management category in 2008.
 - Primary equipment used for daily operation of the landfill, recycling and compost facility includes, but is not limited to: truck scales; sweepers; water trucks; service & lube trucks; rolloff trucks and rolloff containers; skidsteers; compactors; track loaders; dozers; wheel loaders; motor graders; grade-alls; scrapers; excavators; grinders; screens; cranes with magnets and grapples; balers; shears; tree spades; and trailer tipper.
- Alpine Municipal Solid Waste Landfill and Recycling Center
2501 Easy Highway 90
Alpine, Texas 79830
TCEQ Permit No. 2197
 - Since 2007, TDS has held an exclusive contract with the City of Alpine for collection and management of all City controlled residential and commercial municipal solid waste and recyclables generated within the City limits. Terms of the contract allow TDS to manage daily operations of the City-owned municipal solid waste landfill. TDS assumed responsibility and operation for this facility from the previous contractor, Duncan Disposal. TDS and the City of Alpine continue to deal with problems related to Duncan's mismanagement of this landfill.
 - TCEQ MSW Permit No. 2197 is held by the City and authorizes acceptance of an average of 20 tons per day of household waste and an average of 20 tons per day of construction and demolition waste. The facility is designated by the TCEQ as an arid-exempt municipal solid waste landfill under RCRA Subtitle D.
 - Annual tonnage amounts landfilled at the facility during the last five years: 12,503 tons in FY2013; 13,340 tons in FY2012; 13,711 tons in FY2011; 11,974 in FY2010; and 12,519 in FY2009.
 - The operation includes a manned scale house, a citizen's convenience center for recyclables and bagged and bulk organic product sales to the general public.

- Primary equipment used for daily operation of the landfill includes, but is not limited to: truck scales; water truck; service & lube truck; rolloff truck and rolloff containers; forklift; backhoe; and track loader.
- San Antonio Starcrest Transfer Station
11601 Starcrest Drive
San Antonio, Texas 78247
TCEQ Permit No. 1443
 - TDS holds a 30-year contract with the City of San Antonio for management and daily operation of the City-owned Starcrest Transfer Station. Terms of the contract require the City to deliver a minimum of 100,000 tons per year to the facility of residential solid waste collected by City crews and/or contractors. TDS, other haulers and the public deliver waste and recyclables to the transfer station as well.
 - The City of San Antonio owns the land and improvements. TCEQ Permit No. 1443 is held by TDS and authorizes acceptance and transfer of municipal solid waste from the facility to an authorized municipal solid waste landfill. TDS assumed responsibility and operation of this facility from the City of San Antonio.
 - Annual tonnage amounts received at the facility during the last five years: 150,235 tons in FY2013; 153,383 tons in FY2012; 148,300 tons in FY2011; 164,523 in FY2010; and 155,792 in FY2009. Waste is transferred to the TDS Landfill located southeast of Austin.
 - Site includes a manned scale house and a TDS-owned and operated Garden-Ville retail store offering native trees, stone, bagged and bulk organic product sales to the general public.
- Georgetown Transfer Station
250 WL Walden Road
Georgetown, Texas 78626
TCEQ Permit No. 466
 - Since 1998, TDS has held an exclusive contract with the City of Georgetown for collection and management of all City controlled municipal solid waste and recyclables generated within the City limits. Terms of the contract allow TDS to manage daily operations of the City-owned transfer station. TDS assumed responsibility and operation of this facility from the previous contractor, Waste Management, Inc.
 - TCEQ Permit No. 466 is held by the City of Georgetown and authorizes acceptance and transfer of municipal solid waste from the facility to an authorized municipal solid waste landfill.
 - Annual tonnage amounts received at the facility during the last five years: 70,266 tons in FY2013; 65,046 tons in FY2012; 58,850 tons in FY2011; 61,788 in FY2010; and 63,908 in FY2009. Waste is transferred to TDS Landfill located in Creedmoor, Texas.
 - Site includes a manned scale house and a TDS-owned and operated Garden-Ville retail store offering native trees, stone, bagged and bulk organic product sales to the general public.

- TDS is responsible for management of the closed City landfill located adjacent to the transfer station. Services include landfill cap monitoring and management, site fencing and vegetation management.
- **Eco-Depot Transfer Station**
4001 Ranch Road 620 South
Bee Cave, Texas 78738
TCEQ Permit No. 119
 - TCEQ permitted transfer station and citizen's convenience center for municipal solid waste and recyclables. This transfer station was the first ever TDS customer is 1977. TDS assumed operation of this facility from Travis County in 1997.
 - TCEQ Permit No. 119 is held by TDS and authorizes acceptance and transfer of municipal solid waste disposal to an authorized disposal facility. Site improvements are owned by TDS. Land is owned by Travis County.
 - Annual tonnage amounts received at the facility during the last five years: 7,951 tons in FY2013; 10,269 tons in FY2012; 11,356 tons in FY2011; 7,393 in FY2010; and 8,190 in FY2009. Waste is transferred to the TDS Landfill located southeast of Austin.
 - Site includes a manned gate house and a TDS-owned and operated Garden-Ville retail store offering native trees, stone, bagged and bulk organic product sales to the general public.
 - Eco Depot is well received and heavily utilized by the general public. TDS envisions an Eco Depot concept where waste disposal, recyclables drop off and organic product sales can be made available to the citizens and business of San Angelo at a new landfill site.
- **Weimar Transfer Station**
801 East St. Charles Street
Weimar, Texas 78962
TCEQ Permit No. 2106
 - TDS holds an exclusive contract with the City of Weimar for collection and management of all City controlled municipal solid waste and recyclables generated within the City limits. Terms of the contract allow TDS to manage daily operations of the City-owned transfer station. TDS is responsible for furnishing all personnel, equipment, trucks and other items necessary for operation of transfer station.
 - TCEQ Permit No. 2106 authorizes acceptance and transfer of municipal solid waste disposal to an authorized disposal facility. TDS assumed responsibility for daily operation of the facility from the City of Weimar.
 - Annual tonnage amounts received at the facility during the last five years: 32,635 tons in FY2013; 30,692 tons in FY2012; 23,654 tons in FY2011; 21,800 in FY2010; and 21,469 in FY2009. Waste is transferred to the TDS Landfill located southeast of Austin.
 - Site includes a manned scale house.

- Texas Disposal Systems Materials Recovery Facility

Located southeast of Austin

3606 FM 1327

Creedmoor, Texas 78610

- 107,000 sq. ft. regional materials recovery facility opened in 2010;
- Facility is situated on 18 acres within a TDS-owned 210 acre Eco-industrial park located adjacent to the TDS Landfill, Recycling and Composting facility;
- Capacity to receive and process in excess of 10,000 tons per month of residential and commercial recyclable materials;
- Building and processing equipment designed and configured for expansion to meet regional needs;
- Facility includes a manned scale house with inbound and outbound truck scales for processing collection route vehicles and 18-wheel long-haul vehicles;
- City of Austin directs a minimum of 24,000 tons per year to the facility for processing and marketing services by TDS. TDS and other haulers also deliver recyclable materials to the facility that are collected from numerous cities, districts, associations and businesses located in central Texas.

- Evans Road Compost Production Facility & Garden-Ville retail store #1

7561 Evans Road

San Antonio, Texas 78266

- Operations currently underway at facility include:
 - Brush / clean organics receiving and grinding;
 - Static pile compost production;
 - Organic products blending;
 - Organic products bagging and distribution; and
 - Retail sales of organic products to the general public.
- Receives thousands of tons per year brush, wood waste, food waste and other compostable materials;
- TDS assumed daily operations of the facility in 2001 after acquiring Garden-Ville, a 44 year old organic farming and composting operation. Under the management of TDS, the design and overall operation of the 65+ acre flagship facility has been refined and expanded to meet the growing demand for Garden-Ville products and customers.

- Victoria Compost Production Facility

18125 FM 1686

Victoria, Texas 77905

- TDS holds a contract with the City of Victoria for design, permitting, construction and operation of comprehensive bio-solids composting facility within the City limits.
- TCEQ registration authorizes the facility to accept bio-solids and clean brush, wood waste and other similar organic materials.
- Operations currently underway at the facility include:
 - Brush / clean organics receiving and grinding;

- Bio-solids compost production;
 - Bagged and bulk organic materials sales to the general public; and
 - Manned scale house with truck scale for processing inbound and outbound vehicles.
- San Antonio River Authority Recycling and Composting Facility
1280 FM 1516 North
San Antonio, Texas 78263
 - TDS entered into a 30-year contract with two ten year extension options with the San Antonio River Authority in January 2014
 - TDS is responsible for designing, permitting and operating a 52 acre, multi-functional recycling and composting facility
 - Contemplated and planned operations include:
 - Construction & demolition materials recycling;
 - Recyclables drop off and processing;
 - Brush / clean organics receiving and grinding;
 - Bio-solids heat-drying/pasteurization and/or compost production;
 - Scrap tire processing;
 - Oil-field waste pretreatment and processing; and
 - Retail sales of onsite grown native trees, stone, bulk and bagged organic products.

Key Personnel for TDS Facilities

Bob Gregory, TDS Chairman & CEO, leads and manages a team comprised of employees and consultants responsible for facility design, permitting and construction. Bob is considered an expert in design and operation of waste facilities in Texas, and has proudly served on several councils, committees and panels, including the state's Municipal Solid Waste Management and Resource Recovery Advisory Council and the Governor-appointed State of Texas Low-Level Radioactive Waste Disposal Compact Commission. Bob was inducted into the Environmental Industry Association Hall of Fame in 2010. Numerous members of TDS' staff hold state certifications for municipal solid waste (MSW) facility operations and/or receive TCEQ training. Currently, (7) employees hold a Class-A MSW Facility Supervisor License, (8) employees hold a Class-B MSW Facility Supervisor License, and (29) employees hold certificates for completing TCEQ's Municipal Solid Waste Screening course. TDS acknowledges and is in agreement with the requirement that any manager of a landfill in San Angelo must hold a Class-A MSW Facility Supervisor License issued by the TCEQ.

TDS Facility Transition Experience

As stated previously, TDS has demonstrated transition experience with assuming responsibility and operation of facilities from previous contractors and public agencies. A summary of that experience includes:

- **Alpine Landfill and Recycling Facility – March 2007**
 - TDS assumed responsibility and operation of this landfill from the previous contractor, Duncan Disposal. TDS is responsible for furnishing all personnel, equipment and other items necessary for daily operations of the landfill. Following takeover of the facility from Duncan Disposal, TDS and the City became aware of numerous problems at the Alpine landfill created by the previous contractor, and have worked with the Texas Commission on Environmental Quality to remediate unauthorized disposal of waste and recyclables outside the boundaries approved for waste disposal by the previous contractor (see enclosed report at the back of this section entitled “Transition Issues and Landfill Issues Related to Duncan Disposal, a DBA of Republic Services of Texas, LTD., in Alpine, Texas”).

- **Starcrest Transfer Station – January 1998**
 - TDS assumed responsibility and operation of this transfer station from the City of San Antonio Solid Waste Management Department. The terms of the 30-year agreement require TDS to furnish all personnel, equipment and other items necessary for daily operations of the transfer station. TDS redesigned and modified the tipping area to allow for direct dumping of collection vehicles into large capacity, 127 cubic yard, aluminum tipper trailers. This change allows collection vehicles to dump faster and return to their route, and long-haul vehicles to haul more waste per trip from the transfer station to the landfill. TDS backhauls compost and mulch products to be made available for sale in the onsite Garden-Ville retail store outlet.

- **Georgetown Transfer Station – September 1998**
 - TDS assumed responsibility of this transfer station from the previous contractor, Waste Management, Inc. The terms of the agreement require TDS to furnish all personnel, equipment and other items necessary for daily operations of the facility. TDS redesigned and modified the facility from a low volume citizen’s drop off center to a transfer station, as allowed for by TCEQ permit number 466. This change allows collection vehicles to dump closer to their routes at the transfer station rather than driving longer distances to dump at the landfill, resulting in a more efficient and productive operation. TDS also backhauls compost and mulch products to be made available for sale to residents and businesses located in Williamson County.

- **Eco Depot – December 1997**
 - TDS assumed responsibility of this transfer station from Travis County. The terms of the agreement require TDS to furnish all personnel, equipment and other items necessary for daily operations of the facility. After assuming operation of the waste transfer station from Travis County, TDS began accepting recyclables, used motor oil and batteries, and began offering retail sales of organic products to the general public. TDS also installed a new septic system for managing wastewater generated at the facility. TDS backhauls organic products to be made available for sale to residents and businesses located in western Travis County.

- Weimar Transfer Station – November 2010
 - TDS assumed responsibility of this transfer station from the City of Weimar. The terms of the agreement require TDS to furnish all personnel, equipment and other items necessary for daily operations of the transfer station. TDS made facility personnel and equipment modifications to more efficiently receive and transfer the increasing volume of waste being processed at the facility.

TDS Facility References

References and contact information for the above named facilities operated under contract by TDS are as follows:

- Alpine Landfill
 - Mr. Eric Zimmer
City Manager
City of Alpine
309 N. 13th Street
Alpine, Texas 79830
(432) 837-3301 – phone
City.Manager@ci.alpine.tx.us
- Starcrest Transfer Station
 - Mr. David McCary
Director, Solid Waste Management Department
City of San Antonio
4410 Piedras Drive
San Antonio, Texas 78228
(210) 207-6428 – phone
(210) 207-6438 – fax
David.McCary@sanantonio.gov
- Georgetown Transfer Station
 - Mr. Jim Briggs
Assistant City Manager
City of Georgetown
P.O. Box 409
Georgetown, Texas 78627-0409
(512) 930-2010 – phone
Jim.Briggs@georgetown.org
- Eco Depot
 - Mr. Gerald Daugherty
County Commissioner
Travis County
700 Lavaca, Suite 2.400
Austin, Texas 78701
(512) 854-9333 – phone
(512) 854-9376 – fax
gerald@austin.rr.com

- Weimar Transfer Station
 - Mr. Ray Miller
City Manager
City of Weimar
106 E. Main Street
Weimar, Texas 78962
(979) 725-8554 – phone
(979) 725-8488 – fax
citymgr@weimartexas.org

- San Antonio River Authority Recycling & Composting Facility
 - Mr. Jim Doersam
Senior Engineer
San Antonio River Authority
600 E. Euclid Avenue
San Antonio, Texas 78283
(210) 227-1373 – phone
(210) 858-0265 – fax
jdoersam@sara-tx.org

TDS Community Involvement

TDS has received numerous local, state and national awards recognizing its community involvement, facilities and high standard for operating practices. Over the course of the last 14 years, TDS has hosted more than 2,000 events drawing hundreds of thousands of attendees at its community events pavilion and exotic game preserve located adjacent to, and downwind of the TDS landfill, recycling and composting facility. Through TDS' involvement and donated-use of its community events pavilion, these events have raised over \$20,000,000 for non-profit organizations supported by TDS, such as the American Cancer Society, Big Brothers Big Sisters, numerous educational foundations, and many other organizations. TDS is proud of its accomplishments summarized on the enclosed listing of fundraising and recognition events held at the TDS community events pavilion and exotic game preserve.

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 20, 2009

Mr. Jim Gregory, Vice President
Texas Disposal Systems, Inc.
P.O. Box 17126
Austin, TX 78760



Re: Investigation Type – Compliance Evaluation Investigation at:
Texas Disposal Systems Landfill, 3016 FM 1327, Creedmoor (Travis County), Texas
TCEQ Permit No.: MSW Permit No. 2123
Regulated Entity No.: RN102016698

Dear Mr. Gregory:

On December 23, 2008, Kathy Roecker of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for municipal solid waste. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Kathy Roecker in the Austin Region Office at (512)339-2929.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Kalda", is written over the "Sincerely," line.

Barry Kalda, Air/Waste Section Manager
Austin Region Office

BJK/kar

cc: Mr. Wade Wheatley, P.E., Director of Facility Operations and Development, Texas
Disposal Systems, P.O. Box 17126, Austin, Texas 78760-7126

(Rev. 6/15/05)

REPLY TO: REGION 11 • 2800 S. INTERSTATE HWY. 35, STE. 100 • AUSTIN, TEXAS 78704-5700 • 512-339-2929 • FAX 512-339-3795

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • Internet address: www.tceq.state.tx.us

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	TDS		TCEQ Add. ID No. RN No. (optional)	2123
Investigation Type	CC1	Contact Made In-House (Y/N)	Y	Purpose of Investigation
Regulated Entity Contact	Tom Gregory		Telephone No.	512-411-1300
Title	Vice President		Date Contacted	12/12/2008
	Bridgett Mangrove		Date Faxed	

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.
No.	Type ¹	Description of Issue
		No violations noted during investigation

¹Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.	
Investigator Name (Signed & Printed)	Date
Kathy Roeker	12/23/2008
Regulated Entity Representative Name (Signed & Printed)	Date
	12-23-08

If you have questions about any information on this form, please contact your local TCEQ Regional Office. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 31, 2012

Mr. Jim Gregory, Owner
Texas Disposal Systems
P.O. Box 17126
Austin, Texas 78760-7126



Re: Air Compliance Evaluation Investigation at:
Texas Disposal Systems Landfill, 3606 FM 1327, Buda, Travis County, Texas
TCEQ ID No.:RN102016698; CN600126932; General Operating Permit No. 0-2401.

Dear Mr. Gregory:

On August 21, 2012, Mr. Christopher Keffer of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for air quality. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Keffer in the Austin Region Office at (512) 339-2929.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry Kalda".

Mr. Barry Kalda, P.G.,
Air/Waste Section Manager
Austin Region

BK/ck

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*

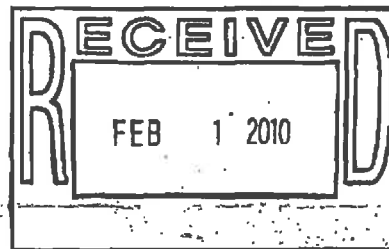


TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 26, 2010

CERTIFIED MAIL 7007 2680 0002 4857 9937
RETURN RECEIPT REQUESTED



Mr. Jesus Garcia, City Manager
City of Alpine Municipal Solid Waste Landfill
100 North 13th Street
Alpine, Texas 79830

Re: Compliance Evaluation Investigation at:
City of Alpine Municipal Solid Waste Landfill, Alpine (Brewster County), Texas
RN102000601, TCEQ Additional ID 2197, Investigation No. 787062:

Dear Mr. Garcia:

On December 15, 2009, Joseph Miller of the Texas Commission on Environmental Quality (TCEQ) El Paso Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for municipal solid waste. No violations are being issued as a result of the investigation; however, please read the attached Additional Issue.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Mr. Joseph Miller in the El Paso Region Office at (915) 834-4965.

Sincerely,

A handwritten signature in cursive script that reads "Kent Waggoner".

Kent Waggoner, P.G.
Section Manager
El Paso Region Office

KW/jm

✓ cc: Mr. Justin Gregory
P.O. Box 17126
Austin, Texas 78760

Enclosures: Summary of Investigation Findings
Obtaining TCEQ Rules

REPLY TO: REGION 6 • 401 E. FRANKLIN AVE., STE. 560 • EL PASO, TEXAS 79901-1212 • 915-834-4949 • FAX 915-834-4940

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • Internet address: www.tceq.state.tx.us

printed on recycled paper using soy-based ink

Erwin W. Shaw, Ph.D., Chairman
Carlos Rubinstein, Commissioner
Toby Baker, Commissioner
Zak Coyle, Executive Director

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 26, 2013

Mr. Chuck Harrington, Interim City Manager
City of Alpine Municipal Solid Waste Landfill
100 North 13th Street
Alpine, Texas 79830

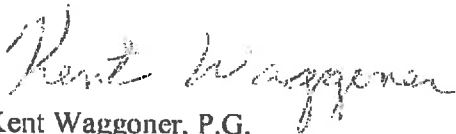
Re: Investigation Type: Compliance Evaluation Investigation at:
City of Alpine Municipal Solid Waste Landfill, Alpine (Brewster County), Texas
TCEQ ID No.: 2197, RN102000601

Dear Mr. Harrington

On July 18, 2013, Mr. Robert Gilliam of the Texas Commission on Environmental Quality (TCEQ) El Paso Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for Municipal Solid Waste. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Gilliam in the El Paso Region Office at (915)534-4966.

Sincerely,



Kent Waggoner, P.G.
Section Manager
El Paso Region Office

KW/rwg

(Rev. 02/23/12)

August 26, 2013

**Transition Issues and Landfill Issues Related to Duncan Disposal,
a DBA of Republic Waste Services of Texas, Ltd., in Alpine, Texas
By Justin Gregory**

From December of 2006, when Texas Disposal Systems, Inc. ("TDS") was awarded the operation of the City of Alpine landfill, through November of 2008, when I was transferred back to the Austin TDS operations, I was the manager of TDS's Alpine operation. While I was the manager, I worked very closely with the city staff on current landfill and hauling issues as well as working with them on past issues from when the operator was Duncan Disposal ("Duncan"), a division of Republic Waste Services of Texas, Ltd.

The Alpine landfill is permitted by the TCEQ as a Type I and Type IV arid exempt landfill, meaning that the landfill can only accept 20 tons of Municipal Solid Waste (MSW) and 20 tons of Construction and Demolition (C&D) waste every day on a yearly average. TDS met that 20 ton per day average tonnage limit in MSW and in C&D waste while I was there, and that was just from hauling in waste from Alpine, part of Fort Davis, part of South Brewster County, and the small towns of Sanderson and Dryden. At the end of the year, I directed about 60 loads to the Presidio landfill, so Alpine did not exceed the annual limit.

In January of 2007, I was interviewing drivers for the Alpine operations. Most of the drivers from Duncan came to apply and while interviewing them, I heard some interesting things about the past operations of Duncan and Republic. Charlie Olazaba, a side load driver that worked for Duncan and ended up working at TDS for about 2 years, told me that as soon as Duncan found out TDS would be bidding on the contract, they started hauling loads of MSW to Odessa. Up until that time, Duncan had been hauling all collected solid waste to the Alpine landfill. Their service area included Alpine, Marfa, Fort Davis, Marathon, Terrell County (Sanderson and Dryden), South Brewster County, Balmorhea, as well as all of the surrounding rural areas. The Alpine landfill is also open to the public. When I asked Charlie if he had hauled much to Odessa before this time, he said that everything they picked up went to the Alpine landfill. In my opinion, all this waste volume would have exceeded the waste disposal tonnage limitation of the City's arid exempt landfill by twice as much.

A couple of days before TDS took over the contract, which was February 1, 2007, I drove to the landfill and saw George Vallerio (Duncan's Alpine Manager) loading all of the scrap metal into roll off boxes and hauling it to the C&D pit for disposal. When I asked George what he was doing, he said that he didn't think TDS would want the metal so he was cleaning it up. I told George that TDS would recycle the metal and I asked him to leave it there. After TDS took over the contract, we took some roll off boxes down to the C&D pit and pulled the metal back out to be baled and recycled. None of this metal was being weighed or accounted for by Duncan in the 20 ton per day average limit for the arid exempt landfill.

After TDS began operations in Alpine collecting the City's waste and operating the two landfill cells at the Alpine landfill, TDS started accepting recyclables at its shop in town and a trailer was stationed downtown on the weekends, which was manned by volunteers for citizens to drop off their recyclables. On June 28, 2007, TDS opened the Alpine recycling center just outside of town. It is still operated by TDS today. The City and its residents are able to recycle newspaper, office paper, magazines, aluminum cans, tin cans, glass, cardboard, and plastic, year round. I was told by former Duncan employees that when Duncan had the contract, they would pick up this material at curb side, put it in gaylord boxes, and then dispose of it in the landfill.

In March of 2007, I hand delivered the first month's bill with all of the landfill tickets for backup to the Alpine city office. I was told by city staff that it took Duncan months to get the bills to them. When they would finally receive a bill, the city staff said they never received any landfill tickets with it for backup. I was told that when Grant Jackson, the engineer hired by Alpine, tried getting receipts and tickets from Duncan, they would not give it to him either. Duncan employees said the tickets were either in the attic of their Alpine offices or at their offices in San Angelo and none were ever produced.

Adolfo Ramirez was our operator at the landfill and had been the operator at the Alpine landfill for Duncan for years before TDS hired him. In December of 2007 Adolfo told me that a few years earlier Duncan had brought in an old scraper to do some excavating for a future landfill cell. While Duncan was digging the C&D pit the scraper broke down. Adolfo said Duncan just quit digging and started dumping trash in the half excavated area. Adolfo said Duncan had only excavated about 10 feet of the 20 feet that was allowed for the C&D pit. This supposedly occurred over a large portion of the cell. If Duncan did this, they wasted years of dumping capacity for the city of Alpine.

In March of 2008, while preparing for the first TCEQ landfill inspection since TDS had taken over the contract, Vidal Acosta, TDS's mechanic who had previously worked for Duncan, approached me. Vidal said hours before Duncan's inspections, when they were required to test the gas wells, Duncan's manager would send Vidal out to the landfill in one of the service trucks and have him blow air down the pipes so that there would not be any methane gas detected during the inspection.

In January of 2009, we were doing some routine excavating at the landfill with some equipment that we had brought in from Austin. Our scraper was coming around the east side of the property and fell off, or sank, into a large hole that collapsed as he drove across it. After getting him out and opening up the hole that he had fallen into, we found long, shallow trenches that had been dug years ago that were filled with trash. When we asked some of the former Duncan drivers that had been dumping out there for years, they told us that Duncan would have them dump in these trenches when they would run out of space and were not able to do any excavating for a while. They said Duncan would dig these trenches with the loader and dump in areas that were not authorized yet to have trash in them.

For the 2 years that I was in Alpine and the 4 ½ years since, TDS has kept the city manager up to date on any and all issues that TDS has either been told or found out regarding Duncan's prior operations. The former Alpine city manager was not very concerned about the Duncan disposal of waste outside the authorized boundaries of the landfill, but TDS will have to remove the Duncan disposed waste from the unauthorized trenches at the Alpine landfill before the next cell expansion occurs.

When Alpine officials originally approached TDS to bid on the Alpine contract in 2006, they said they had a problem with Duncan's poor service. I do not think Alpine officials really knew about the issues at the landfill, but city staff seemed desperate to get an operator in there that they could trust to do the right thing. In 2011, TDS was awarded a 10 year renewal from the city. That indicates the city staff was happy with their decision back in 2006 to switch from Duncan to TDS. TDS is committed to providing the city of Alpine with excellent service.

Sequence of Events
Updated December 16, 2013

January 2009:	Notified Chuy Garcia, Alpine City Manager, of waste found outside constructed landfill cell
February 1, 2009:	Started cell construction
February 15, 2013:	Notified Chuy Garcia and moved three trenches at TDS expense (34 hours of work)
August 27, 2013:	Met with Chuck Harrington, interim Alpine City Manager. Chuck said he was going to notify City Council of the issue and asked TDS to notify Grant Jackson, City Engineer, and request his assistance.
August 30, 2013:	Sent letter to Grant Jackson asking for his help.
September 4, 2013:	Met with Mayor Avinash Rangra; Mayor asked TDS to give a presentation regarding the issue at the next Council meeting.
September 17, 2013:	Jimmy Gregory gave a presentation to City Council.
September 30, 2013:	Sent pictures and report to Grant Jackson and Molly Taylor, Acting City Manager.
October 28, 2013	Grant Jackson sends letter of explanation to TCEQ

4

Proposed Plan

Over the past 23 years, as a pioneer in the development of integrated waste processing, diversion, and disposal facilities, TDS has earned a reputation for excellence in facility management. TDS is confident in the significant value it can bring its community partners, relative to other players in the solid waste industry.

After careful consideration of all factors involved, to the extent they are known, with the current state of the City's waste management system, including collection, disposal and environmental protection, TDS is pleased to provide the City with a series of options that we believe will enable the City to best fulfill its waste management related responsibilities, while also securing a more optimal path to satisfy those responsibilities for the future.

Given the legacy of operation and management at the existing San Angelo Landfill and the length of time the current contractor and the companies it has assumed the liability of having operated the facility, it may be in the best interest of all parties for the existing contractor, Republic, to maintain responsibility for the existing site through the remaining stages of filling, closure and post closure care, thereby sparing all parties the considerable difficulties of undertaking a transition of operators and the remediation required to deal with the numerous problems existing at this stage in the life of the landfill. However, we have included in our proposal an option of TDS operating the existing facility for the remainder of its useful life, under certain conditions. It is the opinion of TDS that the current facility, operating under MSW Permit #79, is not a good candidate for expansion, and according to our calculations and projections, the useful life of the landfill will be exhausted sometime within the next five to eleven years, depending on the volume of waste it receives and whether it uses less soil daily cover. Accordingly, our proposals are more focused on the City's options for a long term solution to its waste disposal needs. Important to note is that under no circumstances is TDS willing to assume responsibility for the considerable cost and liability related to known offsite migration of leachate and landfill gas contaminants, remediation requirements, relocation of waste Republic filled outside the authorized limits of waste burial, final cover and landfill gas containment, closure, and thirty year post closure care related to the existing landfill (MSW Permit #79).

Option 1 – TDS commences operation of the existing landfill on a cost plus basis with a City indemnity from liability.

TDS is willing to quickly negotiate an agreement with the City whereby TDS would serve as the operator of the existing landfill solely as a contractor with no liability and no permit amendment or modification expense or responsibility. As you can see from the included narrative referenced within the Transition Experience section of our Experience, Background, Qualifications & References portion of this response, we believe TDS has good reason to be wary of potential problems associated with the long term operation of the San Angelo Landfill by Republic Services, that are now known and that may yet to be

discovered, which will require significant costs to rectify or remediate. Accordingly, TDS will only undertake the operation of the existing landfill, if it is compensated by a monthly payment from the City, calculated on a City approved cost plus 20% basis. A calculation method for charging the City a reduced rate for volumes referenced in Section 7.3 will be established through negotiations, along with all other gate rate categories to be established and adopted in to ordinance. The City would receive all disposal gate receipts. Assuming award to TDS of the waste collection contract, the TDS hauling operation would pay the City either \$20, \$25, or \$30 per ton to dispose of waste in the existing landfill, and the City would in turn compensate the TDS landfill operation at the above referenced approved cost plus 20%. Such an arrangement would put the disposal portion of the money in the City's hands to be fairly and transparently distributed, as opposed to the current system where the City receives a payment based on the contractor's difficult to decipher tonnage reporting and payment remittance system.

Option 2 – TDS will serve as a cost plus operator of a new landfill facility designed and permitted by the City, with a City indemnity from liability.

In the event that the City finds it desirable to design, permit and control all aspects of its own new landfill during the remainder of the useful life of the existing facility, TDS is willing to quickly negotiate an agreement whereby it would operate the new landfill on a City approved cost plus 20% basis. Under such an arrangement, the City would bear the costs of design, permitting, leachate and gas migration containment, closure and post closure care related to the new landfill, and TDS would simply be a contract operator indemnified from liability. The City would control gate rates, which waste is received for disposal, the approval of TDS operating expenses, the location of the new gatehouse, etc.

Option 3 – TDS will permit a new landfill on land leased from the City under a 30 year, or life of site lease. TDS would be the owner of the permit and would assume all liability and responsibility for design, permitting, construction, operation, closure, financial assurance and post closure care for the site.

Under this option, TDS would immediately lease from the City the 320 acres adjacent to the existing facility for a term not to expire prior to the end of the useful life of the facility, and at a lease payment comparable to what the City currently receives for agricultural use of the site, until such time as a facility is opened, when a negotiated lease payment commences based on the value of the land use allowed. Assuming award to TDS of the waste collection contract, TDS would initially haul waste to the existing landfill under the payment system outlined in Option 1, whereby the City is paid directly for use of the landfill, rather than payments being funneled through the contractor; until the capacity of the existing facility is exhausted, or such other time as the City and TDS determine is in the best interests of all parties. In the meantime, TDS would undertake the design, authorization, permitting and construction of a regional integrated landfill, composting and recycling facility on the land leased from the City. This

landfill facility could open as soon as three years from the date of contract execution, but could be timed to open within five years of contract execution or on an alternate timeline as determined by TDS and the City considering the likely closure date of the existing landfill. Under this option, TDS would be responsible for all expenses, and assume all liability, related to leasing, designing, permitting, constructing, operating and closing the new landfill, recycling and composting facility. Accordingly, TDS would be the owner of the landfill permit, in the name of Texas Disposal Systems Landfill, Inc. (TDSL) and would have the right to construct and operate a transfer station for recyclables and solid waste, as needed, before, during and following the active operation of the onsite landfill, recycling and composting operations. Under this option, TDS would charge the City a volume discount landfill disposal rate for the disposal of waste generated within the City limits, which TDS would be collecting at rates approved by the City Council and based on TDS payment of disposal fees paid by TDS to the City at either \$20, \$25, or \$30 per ton, as described in Option 1. As owner of the permit, TDS would determine the gate rates, at its sole discretion, for wastes originating from outside the City limits. Since the permitting, construction and operating costs of a TDS landfill composting and recycling facility are uncertain, and since the facility opening date and the volume of the City's waste receipt can be delayed and determined by the City, and since the City needs to determine whether it will allow Class 1 Industrial non-hazardous waste disposal cells, and the limitations on waste coming from outside the San Angelo area, the landfill disposal gate rates cannot be determined at this time. However, TDS is willing to quickly negotiate a formula, which would be used to determine the maximum amount TDS could charge the City for landfill disposal over the life of the facility. As an additional value to the City, TDS would remit to the City a royalty payment, for its limited role as the land owner, based on a simplified version of the current and requested Fee and Payment Terms, as outlined in Section C 11.2 of the RFP. Under such a simplified system, there would be only two categories of waste with regard to royalty payment calculation. Those categories would be waste generated within the City limits and waste generated outside the City limits. TDS proposes to limit the royalty calculation to only these two waste categories for purposes of transparency and verification, due to the fact that origin of waste cannot be verified beyond this simplified classification; or even determined using any criteria beyond the word of the hauler.

Requirements for a new Type 1 MSW landfill facility permitted and operated by TDS on City-owned property may include, but are not limited to:

- 30-year lease with multiple 10 year TDS extension options, or a life of site lease between the City and TDS.
- TDS facility development responsibilities:
 - Construction of appropriately sized compost pad and production facility;
 - Facility design and engineering by firms selected and hired by TDS;
 - Fencing and securement of property;
 - Construction of scale house with inbound and outbound truck scales;
 - Open registered transfer station with materials recovery facility within 3 years of entering into contract;

- MSW cell excavation and construction;
 - Open landfill within 3 to 10 years of entering into contract;
 - Construction of a citizen's drop off and resale center; and
 - Class 1 non-hazardous industrial waste cell excavation and construction (at TDS option).
- Once specific facility is opened, TDS agrees to:
 - Furnishing all personnel, equipment and other items necessary for daily operations of the facility;
 - Accept waste from various City departments at volume discounted rate (21,507 tons in 2013);
 - Accept waste from Citizen Free Dumping Program at discounted rate (6,000 tons in 2013);
 - Fund closure / post-closure trust account (solely applies to TDS controlled new landfill);
 - Pay City a negotiated per ton royalty for waste generated within the City limits, and for waste generated outside the City limits, which is disposed of in the landfill;
 - Pay City an annual property lease payment to be determined through negotiations;
 - Secure appropriate performance bond;
 - Maintain appropriate levels of insurance coverage;
 - Prepare and file all annual reporting; and
 - Provide City with a negotiated number of tons of mulch and compost per year at discounted rates.

Scope of Work and Technical Specifications

Except as indicated herein, and as may be included or excluded through negotiations, TDS will fulfill the entirety of the Scope of Work as stated in section C 7.2.1, regardless of which option is chosen by the City. Specific site operating plans and permit documents, whether existing or as approved in the future will dictate the details of lawful operation of the existing or new landfill facility. TDS prides itself on its adherence to all applicable laws and regulations; the specifics of such adherence are or will be enumerated in the permits and operating plans.

Implementation Schedule and Transition Plan

In the event the City selects Option 1, a transition of operators will be necessary. Unfortunately, Republic Services has taken steps to ensure that such a transition is problematic. Of particular difficulty is the issue of the scale house, and the authorized ingress and egress point of the City's permitted facility being owned by Republic Services. TDS will present a proposal to Republic to lease the existing entrance, gate house and scale facilities until such time as alternate facilities can be constructed, however we believe their acceptance of such a proposal is unlikely. To address this significant issue, TDS will work with the City to immediately initiate the process of obtaining a permit modification for additional authorized points of ingress and egress at a location suitable for a new scale house and, with

the City's authorization to enter the northeast corner of the site TDS will construct a temporary scale house and scale sufficient to maintain landfill operations commencing August 1, 2014. Ideally, TDS would have access to the site prior to the termination of the existing contract to construct the new access point, gate house and scale facilities; and also stage the necessary equipment including dozers, scrapers, water truck, fuel truck, motor graders and compactors. All haulers currently using the landfill would be contacted several weeks prior to the transition date, provided maps and instructions on all new processes and procedures for using the landfill under the new operator. Further, TDS would inform the public of the transition through radio advertisements, and signage around the landfill for several weeks prior to the transition. TDS will assist the City in securing temporary emergency authorization from the TCEQ to utilize an alternate access point, and, if absolutely necessary, between closing time on July 31, 2014 and opening on August 1, 2014, TDS will open an access point in the fence near the northeast corner of the site, lay down select fill/base material to provide access to heavy truck and equipment traffic, install a temporary scale system, install all signage required by the permit and move all heavy operating equipment onto the site. This will enable TDS to legally operate the landfill until such time as the additional facilities can be constructed. TDS prides itself on its ability to rise to challenges, and enjoys every opportunity to show that we can do what others cannot or may not be willing to do. To ensure that the transition goes smoothly, Jimmy Gregory, co-owner of TDS and holder of a Class-A MSW Facility Supervisor License since 1990, will be in charge of the transition. Mr. Gregory has the ability as an owner of the company, and with vast experience operating landfills, to ensure that any impediment to an objectively successful and smooth transition is overcome.

EXCEPTIONS TO RFP:

For landfill service options #1 and #2 available to the City, TDS is willing to quickly negotiate an agreement whereby TDS would serve as the operator of the existing City Landfill facility, or as an operator of a new landfill facility, solely as a contractor for either option, with a City indemnity from liability and no permit amendment or modification expense. In the event the City chooses one of these two proposed options, then TDS will take exception to the following items included in Appendix C of the RFP:

1. Indemnify, and hold the City of San Angelo harmless, for any and all past, present and future liabilities regarding the premises; assuming all closure and post-closure responsibilities for the City of San Angelo.
2. Lessee will have sole responsibility to develop and submit permit and amendment applications. Lessee will pay all costs associated with pursuing new or modified permits incurred by the City.
3. Assuming all environmental liability related to operations, construction closure and post-closure of the City of San Angelo Landfill.
4. Paying all necessary operational fees including but not limited to Quarterly TCEQ Solid Waste Fees, Air Emissions Fees, and Stormwater Permit Fees (page 6). Note: Under TDS' proposal the City will receive all gross tipping fees and will be responsible for payment of all of the above mentioned fees as well as the Contractor's expenses plus 20%.
5. C9.1 Indemnification

C9.1.1 GENERAL INDEMNIFICATION. CONTRACTOR AGREES TO INDEMNIFY, DEFEND, AND HOLD CITY, ITS COUNCIL MEMBERS, BOARD AND COMMISSION MEMBERS, OFFICIALS, AGENTS, GUESTS, INVITEES, CONSULTANTS AND EMPLOYEES FREE AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, PROCEEDINGS, SUITS, JUDGMENTS, COSTS, PENALTIES, FINES, DAMAGES, LOSSES, ATTORNEYS' FEES AND EXPENSES ASSERTED BY ANY PERSON OR PERSONS, INCLUDING AGENTS OR EMPLOYEES OF CONTRACTOR OR CITY, BY REASON OF DEATH OR INJURY TO PERSONS, OR LOSS OR DAMAGE TO PROPERTY, RESULTING FROM OR ARISING OUT OF, THE VIOLATION OF ANY LAW OR REGULATION OR IN ANY MANNER ATTRIBUTABLE TO ANY ACT OF COMMISSION, OMISSION, NEGLIGENCE OR FAULT OF CONTRACTOR, ITS AGENTS OR EMPLOYEES, OR THE JOINT NEGLIGENCE OF CONTRACTOR AND ANY OTHER ENTITY, AS A CONSEQUENCE OF ITS EXECUTION OR PERFORMANCE OF THIS CONTRACT OR SUSTAINED IN OR UPON THE PREMISES, OR AS A RESULT OF ANYTHING CLAIMED TO BE DONE OR ADMITTED TO BE DONE BY CONTRACTOR HEREUNDER. THIS INDEMNIFICATION SHALL SURVIVE THE TERM OF THIS CONTRACT AS LONG AS ANY LIABILITY COULD BE ASSERTED. NOTHING HEREIN SHALL REQUIRE CONTRACTOR TO INDEMNIFY, DEFEND OR HOLD HARMLESS ANY INDEMNIFIED PARTY FOR THE INDEMNIFIED PARTY'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

C9.1.2 ENVIRONMENTAL INDEMNIFICATION. CONTRACTOR AGREES TO INDEMNIFY, DEFEND AND HOLD CITY AND ITS COUNCIL MEMBERS, BOARD AND COMMISSION MEMBERS, OFFICIALS, AGENTS, GUESTS, INVITEES, CONSULTANTS AND EMPLOYEES FREE AND HARMLESS FROM AND

AGAINST ANY AND ALL CLAIMS, DEMANDS, PROCEEDINGS, SUITS, JUDGMENTS, COSTS, PENALTIES, FINES, DAMAGES, LOSSES, ATTORNEYS' FEES AND EXPENSES ASSERTED BY LOCAL, STATE OR FEDERAL ENVIRONMENTAL AGENCIES OR PRIVATE INDIVIDUALS OR ENTITIES IN CONNECTION WITH OR RESULTING FROM OR ARISING OUT OF CONTRACTOR'S HANDLING, COLLECTION, TRANSPORTATION, STORAGE, DISPOSAL, TREATMENT, RECOVERY, AND/OR REUSE BY ANY PERSON UNDER CONTRACTOR'S DIRECTION OR CONTROL OF WASTE COLLECTED, TRANSPORTED OR LANDFILLED OR ANY CLEANUP ASSOCIATED WITH ENVIRONMENTAL CONTAMINATION, WHETHER SUCH CLEANUP IS OF AIR, SOIL, STRUCTURE, GROUND WATER OR SURFACE WATER CONTAMINATION. CONTRACTOR SPECIFICALLY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS CITY AGAINST ALL CLAIMS, DAMAGES AND LIABILITIES OF WHATEVER NATURE ASSERTED UNDER CERCLA CAUSED BY ACTS OR OMISSIONS OF CONTRACTOR REGARDLESS OF WHEN SUCH INCIDENT IS DISCOVERED. CONTRACTOR SHALL BE RESPONSIBLE AND LIABLE FOR ANY SPILL, UNDERGROUND POLLUTION OR ANY OTHER ENVIRONMENTAL IMPAIRMENT INCIDENT CAUSED BY ACTS OR OMISSIONS OF CONTRACTOR REGARDLESS OF WHEN SUCH INCIDENT IS DISCOVERED. IT IS THE INTENT OF THE PARTIES THAT THIS SECTION SHALL IN NO WAY LIMIT OTHER COVERAGE HEREIN AS IT MAY RELATE TO ANY ENVIRONMENTAL CLAIM, DAMAGE, LOSS OR LIABILITY OF ANY KIND.

C9.1.3 PROSPECTIVE APPLICATION. ANY AND ALL INDEMNITY PROVIDED FOR IN THIS CONTRACT SHALL SURVIVE THE EXPIRATION OF THIS CONTRACT AND THE DISCHARGE OF ALL OTHER OBLIGATIONS OWED BY THE PARTIES TO EACH OTHER HEREUNDER AND SHALL APPLY PROSPECTIVELY NOT ONLY DURING THE TERM OF THIS CONTRACT BUT THEREAFTER SO LONG AS ANY LIABILITY (INCLUDING BUT NOT LIMITED TO LIABILITY FOR CLOSURE AND POST CLOSURE COSTS) COULD BE ASSERTED IN REGARD TO ANY ACTS OR OMISSIONS OF CONTRACTOR IN PERFORMING UNDER THIS CONTRACT.

C9.1.4 RETROACTIVE APPLICATION. THE INDEMNITY PROVIDED FOR IN THIS CONTRACT SHALL EXTEND NOT ONLY TO CLAIMS AND ASSESSMENTS OCCURRING DURING THE TERM OF THIS CONTRACT BUT RETROACTIVELY TO CLAIMS AND ASSESSMENTS WHICH MAY HAVE OCCURRED DURING THE TERM OF PREVIOUS AGREEMENTS BETWEEN CITY AND CONTRACTOR.

C9.1.5 APPLICATION TO SURROUNDING PROPERTY. THE INDEMNIFICATION PROVISIONS OF THIS CONTRACT EXTEND TO CLAIMS AND ASSESSMENTS RELATING TO RUNOFF, LEACHATE, OR OTHER INFILTRATION THAT MAY OCCUR OR HAS OCCURRED AT OR NEAR THE SITE OF LANDFILLS, TRANSFER STATIONS, OR OTHER SOLID WASTE FACILITIES AND SURROUNDING AREAS WHICH ARE OR WERE USED BY THE CONTRACTOR, DURING THE TERM OF THIS CONTRACT OR PREVIOUS AGREEMENTS BETWEEN CITY AND CONTRACTOR. THIS SECTION DOES NOT MAKE CONTRACTOR LIABLE FOR ANY SITE IT HAS NEVER USED, CLOSED, MANAGED OR MONITORED.

6. C11.2 Fee and Payment Terms

Lessee shall remit payment on the items and terms listed below. All payments, fees, rebates, and terms will be as proposed, negotiated, and subsequently contracted. Upon each anniversary of the Operation Commencement Date, throughout the term of the Lease, the Municipal

Tipping Fee and Payment, the County Tipping Fee and Payment, Area Tipping Fee and Payment, the Annual Lease Payment, and Liquidated Damages will be adjusted by the Adjustment Factor; provided, however, that in no case shall the amounts be decreased for any Operating Year through application of the Adjustment Factor.

1. Municipal Tipping Fee Payment: The City will establish the *Municipal Tipping Fee Payment* as proposed, negotiated, and subsequently contracted. On or before the 20th day of each month following the month in which the Operation Commencement Date occurs, the Lessee shall pay to the City the Municipal Tipping Fee Payment on all tons of solid waste originating within the municipal boundary of San Angelo disposed of at the Landfill during the previous month.

2. County Tipping Fee Payment: The City will establish the *County Tipping Fee Payment* as proposed, negotiated, and subsequently contracted. On or before the 20th day of each month following the month in which the Operation Commencement Date occurs, the Lessee shall pay to the City the County Tipping Fee Payment on all tons of solid waste originating outside the municipal boundary of San Angelo, but within Tom Green County, disposed of at the Landfill during the previous month.

3. Area Tipping Fee Payment: The City will establish the *Area Tipping Fee Payment* as proposed, negotiated, and subsequently contracted. On or before the 20th day of each month following the month in which the Operation Commencement Date occurs, the Lessee shall pay to the City the Area Tipping Fee Payment on all tons of solid waste originating outside Tom Green County disposed of at the Landfill during the previous month.

4. Annual Lease Payment: On or before the Operation Commencement Date, Lessee shall pay to the City the first monthly installment of the Annual Lease Payment as proposed, negotiated, and subsequently contracted. Lessee shall pay the monthly installment of the Annual Lease Payment to the City each month thereafter throughout the term of Lease on or before the first Business Day of the month.

5. Closure and Post-Closure Trust Payment: Not later than the 20th day of each month, an amount equal to the Trust Payment Factor multiplied by the number of tons of solid waste accepted for disposal at the City of San Angelo Landfill during the immediately preceding month. The City will hold such amounts in trust to pay for Closure and Post-Closure Costs, and the Lessee will be authorized and directed to make such payments directly to the Third Party Trustee.

7. C15. CLOSURE AND POST-CLOSURE CARE

Lessee shall be responsible to deposit required funds for closure and post-closure care and corrective action of the Landfill, as estimated by the City's approved and contracted third-party engineer or Lessee's engineer, as approved by the City, to be a sum of each year of the Lease,

with Third Party Trustee as established in a Trust Instrument in a form approved by the TCEQ. All fees and financial charges relating to the Closure and Post-Closure Trust will be billed directly to the Lessee by the Trustee. Fee and charge amounts can be found at www.cosatx.us/departments-services/purchasing/bid-information.

Reimbursement(s) to the Lessee for expenses related to Landfill closure costs from the Closure and Post-Closure Trust will be initiated by the City after appropriate documentation of such costs is provided. Reimbursement(s) will be made directly to the Lessee by the Trustee.

As of December 2013, the amount required for closure, post-closure, and corrective actions is estimated to be \$8.4 million; noting that such amount established for closure and post-closure care and corrective action, and hence the payments there-to, shall be subject to adjustability as required and justified. All funds previously set aside by the City for such purposes shall revert to the City and shall not be available to the Lessee.

At the end of the term, or when the Lease is terminated by either party, the Lessee shall perform such services as are necessary to physically close the City of San Angelo Landfill in accordance with Applicable Laws and the Landfill Permits then in effect and landscaping as required by the City. In addition, to the extent required under Applicable Laws or the Landfill Permits, prior to the termination of the Lease or the end of the term, the Lessee shall perform Closure activities on a cell by cell basis to the extent practical to do so. The Lessee shall also provide all necessary post-Closure monitoring services and site maintenance, including, but not limited to, surface water, leachate and landfill gas management, mowing, etc., in accordance with Applicable Laws and the Landfill Permits then in force.

In the event that the City of San Angelo Landfill contains unused capacity at the end of the Term, or upon termination of the Lease, the City shall have the right, at its sole option, to keep the Landfill in operation and waive any Lessee Closure and Post-Closure responsibilities. In such event, (i) the City shall have the right to use for its own purposes all amounts held pursuant to any Trust Instruments, and (ii) the City shall perform or cause to be performed the Closure and Post-Closure activities otherwise required to be performed by the Lessee under the Lease and under applicable Landfill Permits, and (iii) Lessee shall be released of any subsequent obligation to perform or cause to be performed the Closure and Post-Closure activities which it would otherwise have been required to perform hereunder and under the applicable Landfill Permits (other than those responsibilities of the Lessee arising prior to the termination of the Lease).

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The following pricing sheet is only for Options 1 & 2. The exact figures for Option 3 will be determined through negotiations at a time when they can be more equitably determined.

Appendix E

Pricing Worksheets

Landfill Lease and Operations

Use the following chart for Landfill Operations pricing. This chart will serve as the minimum proposal. For additional Proposal information and / or Alternate Proposals, attach additional pages as necessary.

Landfill Charges Proposal	Example	10 Year w/ Extensions	Life-of-Site	Combined Award w/ Collections Contract - 10 Year Landfill	Combined Award w/ Collections Contract- Life of Site	*
Municipal Tipping Fee (per ton)	\$25.00	Cost + 20%*	Cost + 20%*	Cost + 20%*	Cost + 20%*	
County Tipping Fee (per ton)	\$30.00	Cost + 20%*	Cost + 20%*	Cost + 20%*	Cost + 20%*	
Area Tipping Fee (per ton)	\$35.00	Cost + 20%*	Cost + 20%*	Cost + 20%*	Cost + 20%*	

City Compensation Proposal	Example	10 Year w/ Extensions	Life-of-Site	Combined Award w/ Collections Contract - 10 Year Landfill	Combined Award w/ Collections Contract- Life of Site	**
Initial Lump Sum Payment	\$20,000,000	N/A	N/A	N/A	N/A	
C11.2.6 Initial Closure and Post Closure Trust Payment	\$20,000,000	N/A	N/A	N/A	N/A	
C11.2.6 Trust Payment Factor (per ton / month)	\$3.00	**	**	**	**	**
C11.2.5 Annual Lease Payment (per year)	\$20,000,000	\$0	\$0	\$0	\$0	
C11.2.1 Municipal Tipping Fee Payment (per ton)	\$7.00	\$20, 25 or 30	\$20, 25 or 30	\$20, 25 or 30	\$20, 25 or 30	**
C11.2.2 County Tipping Fee Payment (per ton)	\$8.00	\$20, 25 or 30	\$20, 25 or 30	\$20, 25 or 30	\$20, 25 or 30	**
C11.2.3 Area Tipping Fee Payment (per ton)	\$9.00	\$20, 25 or 30	\$20, 25 or 30	\$20, 25 or 30	\$20, 25 or 30	**
C10.2 Remaining Airspace Purchase (per cubic yard)	\$5.00	N/A	N/A	N/A	N/A	

Appendix E: Landfill Pricing

* Cost plus calculation will be verified & approved by the City.

** TDS will pay the City the entirety of the tipping fee associated with the chosen collection option. The City will be responsible for servicing the trust out of its tipping fee payments.

*** This depends on the collection option the City chooses.

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March 18, 2014

Mr. Roger Banks, Division Manager
Purchasing Division
Mr. Shane Kelton, Director of Operations
San Angelo Operations Department
City of San Angelo
72 West College Avenue
San Angelo, Texas 76903

RE: RFP No: OP-01-14/Lease and Operation of Sanitary Landfill And Waste Collection Services

Gentlemen:

Insurance Network of Texas provides various insurance programs for Texas Disposal Systems. We have reviewed all insurance and bonding requirements specified in the City of San Angelo's RFP No: OP-01-14/Lease and Operation of Sanitary Landfill and Waste Collection Services, Appendix C, Section C9 and Appendix D, Section D13. Based on these requirements, the company's excellent past performance, and the current insurance and bonding programs available to them, we anticipate no problems in fulfilling all such requirements as outlined in the bid.

We have also provided a current insurance certificate with all required coverages as part of the bid response.

Please feel free to contact me with any questions at 512-304-8901.

Sincerely,

Ashley Mutschink

Ashley Mutschink
Vice President
Insurance Network of Texas
143 East Austin
Giddings, TX 78942

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/07/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Network of Texas 143 East Austin Giddings, TX 78942-3299 979 542-3666	CONTACT NAME:	
	PHONE (A/C, No, Ext): 979 542-3666	FAX (A/C, No):
INSURED Texas Landfill Management, LLC P.O. Box 17126 Austin, TX 78760	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Liberty Mutual Insurance Compan	NAIC # 23043
	INSURER B: Liberty Insurance Underwriters	19917
	INSURER C: Liberty Insurance Corporation	42404
	INSURER D: Admiral Insurance Company	24856
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI/PP Ded:15000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC		TB2291437831034	01/15/2014	01/15/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPROP AGG \$2,000,000 \$
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS		AS6291437831024	01/15/2014	01/15/2015	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10000		100003103304	01/15/2014	01/15/2015	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	WA229D437831014	01/15/2014	01/15/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
D	Pollu Limit Deductible		FEIEIL1239701	01/15/2014	01/15/2015	\$20,000,000 \$25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

As per policy provision, Certificate Holder is listed as additional insured in regard to the auto and general liability policies as provided by additional insured endorsement. A waiver of subrogation endorsement is provided to the Certificate Holder in regard to the auto, general liability and workers compensation policies as per policy provision.
General liability, auto and workers compensation policies include(s) a 30 Days Notice of Cancellation (See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

City of San Angelo
City's Risk Manager and Solid Waste
Administrator at City Hall
72 West College Ave.
San Angelo, TX 76903

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

R. J. Mitche

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DESCRIPTIONS (Continued from Page 1)

endorsement providing 30 days advance notice if policy is canceled by the company other than for nonpayment of premium, or direct cancellation by named insured as per policy provision.

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March 3, 2014

Mr. Roger Banks, Division Manager, Purchasing Division
Mr. Shane Kelton, Director of Operations, San Angelo Operations Department
The City of San Angelo
72 West College Avenue
San Angelo, TX 76903

RE: RFP No: 0P-01-14 for the Lease and Operations of Sanitary Landfill and Waste Collections Services.

Gentlemen:

Union Bank provides various credit facilities to Texas Disposal Systems ("TDS"), which include, among other things, bond financing, working capital and acquisition financing, financing of transfer stations and material recovery facilities and term loans for equipment and various other capital. TDS is a highly valued client of Union Bank. We have reviewed the company's annual financial statements for the past five years and understand the company's operations and industry. TDS has met all of their financial obligations to Union Bank and the bondholders.

We have also reviewed the capital and financial requirements to fulfill the contract for the Lease and Operations of Sanitary Landfill and Waste Collections Services. Included in the financial requirements are those requirements included in Appendix C, Section C8 of the Lease and Operations of Sanitary Landfill and Appendix D, Section D12 of the Waste Collections Services. Based on these requirements, the company's excellent past financial performance and the current credit facilities available to them, TDS has more than sufficient financial capacity to provide the proposed services for both the Lease and Operations of Sanitary Landfill as well as the proposed services for the Waste Collection Services including any start-up capital items and letter of credit requirements as well as ensure the necessary cash flow to provide smooth and effective operations on an ongoing basis. I am not aware of any impediments that would prevent TDS from fulfilling any reasonable financial requirements under requirements for the Lease and Operations of Sanitary Landfill/Waste Collections Services contract.

Please feel free to contact me with any questions at (909) 244-1261.

Sincerely,

A handwritten signature in black ink, appearing to read 'Myra J. Letten', written over a horizontal line.

Myra J. Letten
Senior Vice President

Southern California Commercial Banking
3536 Concourse, Suite 300
Ontario, CA 91764

A member of MUFG, a global financial group

Tel. 909 244 1260
Fax 909 980 5195

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Past and Pending Litigation – March 15, 2007 to Present

NAME OF CASE	DATE	TYPE OF CASE	STATUS
Iglehart v. Texas Disposal Systems, Inc.	2007	Vehicle Accident	Settled
Casares, David v. Texas Disposal Systems, Inc. and Alan Blankenburg	2008	Vehicle Accident	Dismissed
Farmers Ins. v. Rogers and Texas Disposal Systems, Inc.	2008	Vehicle Accident	Settled
NB/OASIS08, LP v. Texas Disposal Systems, Inc.	2008	Release of Lien	Dismissed
Safeco v. Bourassa and Texas Disposal Systems, Inc.	2008	Vehicle Accident	Dismissed
Iglehart vs. Texas Landfill Management, LLC	2008	Vehicle Accident	Settled
County of Bexar v. Texas Disposal Systems, Inc.	2009	Release of Lien	Dismissed
County of Llano v. Texas Disposal Systems, Inc.	2009	Release of Lien	Dismissed
Maldonado, Reynaldo v. Texas Disposal Systems, Inc.	2009	Vehicle Accident	Settled
McDougal Family Ltd. Partnership v. Texas Landfill Management, LLC	2010	Breach of Contract	Dismissed
Petra Padilla, et al. v. Texas Disposal Systems, Inc.	2010	Employee Accident	Settled
Warren, Russell v. Texas Landfill Management, LLC	2010	Employment Matter	Settled
Chad Springer v. Texas Disposal Systems, Inc.	2011	Vehicle Accident	Settled
Gutierrez v. Texas Disposal Systems, Inc.	2011	Vehicle Accident	Settled
Travis County, et al. v. Homestyle LLC	2012	Release of Lien	Dismissed
Caldwell County Appraisal District et al v. Mike Carr, et al	2012	Release of Lien	Pending
PHH Co., Inc. v. Texas Disposal Systems, Inc.	2012	Preferential Payment Claim	Settled
Dentworks of Austin v. Texas Disposal Systems, Inc.	2014	Vehicle Accident	Pending

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SAMPLE CONTRACT SUMMARY

OPTION 1

The following Sample Contract is an example of a contract for Texas Landfill Management ("TLM") to operate the existing San Angelo Landfill as a contractor reporting directly to the City as outlined in Landfill Plan Option 1. The key points to Option 1 are:

- City will receive all landfill revenues.
- TLM will perform all landfill services.
- City will pay TLM a monthly base fee of an agreed cost amount plus 20% of the cost amount.
- City retains ultimate control of the existing landfill.

OPTION 2

The Sample Contract can be modified to reflect TLM's proposed Option 2 should the City select that approach. The key points to Option 2 are:

- The existing San Angelo Landfill would continue in operation as it is now.
- City would cover the costs to plan, design, permit and construct a new landfill with TLM's consultation.
- TLM would then operate the new landfill as a contractor for the City under the same conditions as proposed for the existing landfill in Option 1.

OPTION 3

The Sample Contract can also be modified to reflect TLM's proposed Option 3 should the City select that approach. The key points to Option 3 are:

- TLM will lease the approximate 320 acres adjacent to the existing landfill to build and permit a new landfill at TLM's expense with the support of the City.
- TLM will pay the City a lease on the land based on agricultural use before the new landfill opens, and then after it opens a lease payment based on the value of the land used during the life of the landfill.
- TLM will keep all new landfill revenue to cover cost of operations and the lease payment to the City.
- TLM will also pay the City a royalty based on waste originating from inside and outside the City limits.

CITY OF SAN ANGELO, TEXAS

LEASE AND OPERATION OF MUNICIPAL SOLID WASTE
LANDFILL TCEQ PERMIT NO. MSW-79

Presented By

TEXAS LANDFILL MANAGEMENT, LLC

P.O. Box 17126
Austin, TX 78760
Phone: (512) 421-1300

@texasdisposal.com
August 1, 2014

GENERAL SPECIFICATIONS

1.00 DEFINITIONS

- 1.01 City
- 1.02 Contract
- 1.03 Contract Year
- 1.04 Contractor
- 1.05 Permit
- 1.06 Proposal
- 1.07 San Angelo Landfill
- 1.08 TCEQ

2.00 SCOPE OF WORK

3.00 COLLECTION OPERATION

- 3.01 Hours of Operation
- 3.02 Holidays
- 3.03 Complaints
- 3.04 Office

4.00 SAN ANGELO LANDFILL LEASE

5.00 COMPLIANCE WITH LAWS

6.00 EFFECTIVE DATE

7.00 NONDISCRIMINATION

8.00 INDEMNITY

9.00 LICENSES AND TAXES

10.00 TERM

11.00 INSURANCE

12.00 TRANSFERABILITY AND AMENDMENT OF CONTRACT

13.00 RIGHTS OF CONTRACTOR

14.00 SUBCONTRACTORS

15.00 RIGHTS OF THE CITY

17.00 FORCE MAJEURE AND INTERRUPTION OF SERVICE

18.00 SEVERABILITY

SAMPLE

1.0

DEFINITIONS

- 1.01 City – City of San Angelo, Texas.
- 1.02 Contract – Includes this Contract for lease and operation of the San Angelo Landfill and any addenda or amendments to this document agreed to by the City and the Contractor, along with the terms of the Contractor's proposal as further modified by this Contract.
- 1.03 Contract Year – Each 365 or 366 day period during the term hereof commencing upon the Commencement Date of the agreement and each anniversary thereafter and ending the day prior to the next such anniversary date.
- 1.04 Contractor – The person, corporation or partnership operating the San Angelo Landfill under this contract with the City.
- 1.05 Permit – Municipal Solid Waste Permit number MSW-79 issued by TCEQ including all modifications and amendments as of the date of this Contract.
- 1.06 Proposal – Contractor's proposal in response to the City's RFP No: OP-01-14 submitted to the City on or about March 14, 2014, attached as Appendix A.
- 1.07 San Angelo Landfill – Solid Waste facility authorized by TCEQ permit number MSW-79 with any amendments or modifications.
- 1.08 TCEQ – Texas Commission on Environmental Quality.

2.0

SCOPE OF WORK

The work under this Contract shall consist of the items contained in this Contract and the Proposal, including all the personnel, supervision, materials, equipment, labor and all other items necessary to complete said work in accordance with this Contract. The Contractor is hereby granted the sole and exclusive lease to operate the San Angelo Landfill.

3.0 COLLECTION OF OPERATION

3.01 Hours of Operation – The San Angelo Landfill will operate within the hours allowed by the Permit and TCEQ rules.

3.02 Holidays – The following shall be holidays for purposes of this Contract:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Contractor may decide to observe any and all of the above mentioned holidays by suspension of service on the holiday.

3.03 Complaints – All complaints shall be made directly to the Contractor and shall be given prompt and courteous attention. The contractor shall keep and maintain a record of all complaints received during the Term and any extended Term of this Contract.

3.04 Office – The Contractor shall maintain an office or such other facilities through which it can be contacted. It shall be equipped with sufficient telephones and shall have a responsible person in charge from 8:00 a.m. to 5:00 p.m. on regular business days.

4.0 SAN ANGELO LANDFILL LEASE

4.01 During the Initial Term of this Contract and any Renewal Term, Contractor shall and does hereby lease from City and City does hereby lease to Contractor the San Angelo Landfill described in Appendix A attached hereto and made proof hereof. The Landfill also includes the buildings and improvements located upon the land area described in Appendix A. City also grants Contractor, its customers, guests, invitees, employees, contractors, and licensees all easements, rights, and privileges appurtenant thereto.

- 4.02 City warrants that it owns the San Angelo Landfill and has full right and power to execute and deliver this Lease without the consent or agreement of any other person, and that those persons executing this Lease on behalf of City have the right and power to execute and deliver this Lease.
- 4.03 Contractor warrants that Contractor has full right and power to execute and deliver this Lease without consent or agreement of any other person, and that those persons who have executed and delivered this Lease have the authority and power to execute this Lease on Tenant's behalf and deliver this Lease to City.
- 4.04 The consideration for such lease shall be reflected in Appendix A.
- 4.05 Contractor shall not be responsible for the payment of any real property taxes and assessments levied against the San Angelo Landfill by any governmental or quasi-governmental authority, which are due and payable during the Term hereof.
- 4.06 Under this Lease, Contractor has the exclusive authority to control the operation and day-to-day management of the Landfill and shall keep it open in accordance with all laws, regulations, and the permits.
- 4.07 City hereby represents and warrants that the San Angelo Landfill is built and operated in accordance with all applicable laws, regulations and permits and if at any time during the Term the San Angelo Landfill shall not be in compliance through no fault of the Contractor, it shall be the responsibility of City to bring the San Angelo Landfill back into compliance. City agrees to warrant and defend Contractor in the quiet enjoyment and possession of the San Angelo Landfill during the Term of this Contract and this Lease so long as Contractor complies with the provisions hereof.
- 4.08 Contractor shall operate and maintain the San Angelo Landfill in compliance with all laws, regulations, and permits. City shall maintain and repair all public roads used for access to the San Angelo Landfill. The Contractor is responsible for maintaining sufficient financial assurance required by all laws, regulations, and permits.

- 4.09 City shall maintain the responsibility for damages and response costs, if any, which occur as a result of operation of the San Angelo Landfill prior to the Effective Date. After the Effective Date, Contractor shall retain the responsibility for damages and responsive costs, if any, which occur as a result of operations of the San Angelo Landfill after the Effective Date. Costs and Expenses and installation of monitoring systems and for closure and post-closure costs arising from the operation of the San Angelo Landfill shall be the responsibility of Contractor. Costs of providing, transporting and installing cover material for use in San Angelo Landfill operations, if such is required, shall also be the responsibility of Contractor.
- 4.10 City agrees to cooperate with Contractor in obtaining any necessary permits, amendments, modifications and approvals from the applicable governmental authorities, at no cost or expense to City, including, without limitation, the execution of any applications or submittals in connection therewith, that may be required of City as the owner of the San Angelo Landfill.
- 4.11 City and Contractor agree that Contractor shall have the right to set waste disposal rates for any third party customers. Contractor has the right to subcontract part of the operations to other entities with consent by the City. Such consent may not be unreasonably withheld by the City.
- 4.12 Upon the expiration or earlier termination of the Term, Contractor shall surrender and deliver to City the San Angelo Landfill, all buildings and improvements thereon other than Contractor's property, in condition and repair typical for a solid waste landfill, reasonable wear and tear and damage due to casualty excepted, whereupon Contractor shall have no further right, title or interest in and to said Landfill. Any trade fixtures, business equipment, inventory, trademarked items, signs and other removable personal property located or installed in or on the San Angelo Landfill shall be removed by Contractor on or before the last day of the Term or upon the earlier termination of this contract pursuant to the provisions hereof, and Contractor shall repair any damage occasioned by the removal of Contractor's Property.

5.0 COMPLIANCE WITH LAWS

The Contractor shall conduct operations under this contract in compliance with all applicable laws, regulations and permits.

6.0 EFFECTIVE DATE

This Contract shall be effective upon the execution of the Contract and performance of such Contract shall begin on August, ___ 2014.

7.0 NONDISCRIMINATION

The Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.

8.0 INDEMNITY

The Contractor will indemnify and save harmless the City as required by Appendix A.

9.0 LICENSES AND TAXES

The Contractor shall obtain all licenses and permits (other than the license and permit granted by the Contract) and promptly pay all taxes required by City.

10.0 TERM

The Contract shall be for the life of the Permit until the end of the post-closure care period.

11.0 INSURANCE

The Contractor shall at all times during the contract maintain in full force and effect insurance coverage as required by Appendix A.

12.0 TRANSFERABILITY AND AMENDMENT OF CONTRACT

No Assignment of the Contract or any right occurring under this Contract shall be made in whole or in part by either party without the express written consent of the other party. All provisions of the Contract shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon the written consent of the parties, which consents shall not be unreasonably withheld. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.

13.0 RIGHTS OF CONTRACTOR

The City, during the term of this Contract, shall not enter into any contract with a third party to obtain the services performed by the Contractor under this Contract and shall not suffer or permit any other party to provide similar service within the City.

14.0 SUBCONTRACTORS

Use of Subcontractors by the Contractor or subsidiaries or affiliates of the Contractor for technical or professional services shall not be considered an assignment of this agreement; provided that in any such event the Contractor shall be and remains responsible for all services and performance provided under this Contract. However, the City reserves the right to approve in writing the use of specific subcontractors.

15.0 RIGHTS OF THE CITY

The City shall have the right and option to terminate this Contract, after 90 days written notice to Contractor and hearing for breach of this Contract; provided that Contractor shall be given a thirty (30) day period after the hearing in which to cure such breach. In the event a period for curing such breach is provided, a second hearing shall be held at the expiration of the cure period and this Contract shall not be terminated if it is found that the breach has been cured and resolved during such cure

period. In the event the City Council finds, after notice and hearing held at any time after any previous opportunity to cure, that Contractor has breached this Contract, the City Council may terminate this Contract.

This contract shall not be construed or interpreted as the City having waved any regulatory or police powers, except to the extent, if any, specifically provided herein.

16.0 FORCE MAJEURE AND INTERRUPTION OF SERVICE

The Contractor shall not be liable for the failure to perform its duties if such failure is caused by a catastrophe, riot, war, government order or regulation, strike, fire, accident, act of God, or similar or different contingency beyond the reasonable control of the Contractor. If service under the Contract Documents is discontinued for more than 48 hours beyond the regular schedule due to the fault of the Contractor, the City may seek other temporary arrangements.

17.0 SEVERABILITY

In the event that any provision or portion thereof of the Contract shall be found to be invalid or unenforceable, then such provisions or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of the Contract shall not affect the validity or enforceability of any other provision or portion thereof within the Contract.

IN WITNESS WHEREOF, we, the contracting parties, by our fully authorized agents, hereto affix our signatures and seals at San Angelo, Texas, as of this the ____ day of _____, 2014.

ATTESTED HEREUNTO:

CITY OF SAN ANGELO

A Municipal Corporation of
Tom Green County, of the State of Texas

By: _____
Mayor

By: _____
City Secretary

SEAL of the City of San Angelo
In Tom Green County, of the State of Texas

ATTESTED HEREUNTO:

TEXAS LANDFILL MANAGEMENT LLC.

By: _____
Bob Gregory, CEO & President

CITY OF SAN ANGELO, TEXAS

CONTRACT TO OPERATE SAN ANGELO MUNICIPAL SOLID
WASTE LANDFILL TCEQ PERMIT NO. MSW-79

Presented By

TEXAS LANDFILL MANAGEMENT, LLC

P.O. Box 17126
Austin, TX 78760
Phone: (512) 421-1300

@texasdisposal.com

August 1, 2014

GENERAL SPECIFICATIONS

1.00 DEFINITIONS

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- 3.02 Holidays
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- 3.04 Office

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SAMPLE

1.0

DEFINITIONS

- 1.01 City – City of San Angelo, Texas.
- 1.02 Contract – Includes this Contract for operation of the San Angelo Landfill and any addenda or amendments to this document agreed to by the City and the Contractor, along with the terms of the Contractor's proposal as further modified by this Contract.
- 1.03 Contract Year – Each 365 or 366 day period during the term hereof commencing upon the Effective Date of the Contract and each anniversary thereafter and ending the day prior to the next such anniversary date.
- 1.04 Contractor – The person, corporation or partnership operating the San Angelo Landfill under this Contract with the City.
- 1.05 Permit – Municipal Solid Waste Permit number MSW-79 issued by TCEQ including all modifications and amendments as of the date of this Contract.
- 1.06 Proposal – Contractor's proposal in response to the City's RFP No: OP-01-14 submitted to the City on or about March 21, 2014, attached as Appendix A.
- 1.07 San Angelo Landfill – Municipal Solid Waste facility authorized by TCEQ permit number MSW-79 with any amendments or modifications.
- 1.08 TCEQ – Texas Commission on Environmental Quality.

2.0

SCOPE OF WORK

The work under this Contract shall consist of the items contained in this Contract and the Proposal, including all the personnel, supervision, materials, equipment, labor and all other items necessary to complete said work in accordance with this Contract. The Contractor is hereby granted the sole and exclusive Contract to operate the San Angelo Landfill.

3.0 COLLECTION OF OPERATION

3.01 Hours of Operation – The Contractor will operate the San Angelo Landfill within the hours allowed by the Permit and TCEQ rules.

3.02 Holidays – The following shall be holidays for purposes of this Contract:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Contractor may decide to observe any and all of the above mentioned holidays by suspension of service on the holiday.

3.03 Complaints – All complaints shall be made directly to the Contractor and shall be given prompt and courteous attention. The Contractor shall keep and maintain a record of all complaints received during the Term and any extended Term of this Contract.

3.04 Office – The Contractor shall maintain an office or such other facilities through which it can be contacted. It shall be equipped with sufficient telephones and shall have a responsible person in charge from 8:00 a.m. to 5:00 p.m. on regular business days.

4.0 SAN ANGELO LANDFILL CONTRACT

4.01 During the Term of this Contract and any Renewal Term, Contractor shall and does hereby agree to operate on behalf of the City the San Angelo Landfill described in the Proposal attached. The San Angelo Landfill also includes the buildings and improvements located upon the area described in the Proposal. City also grants Contractor, its customers, guests, invitees, employees, contractors, and licensees all easements, rights, and privileges appurtenant thereto.

4.02 City warrants that it owns the San Angelo Landfill and has full right and power to execute and deliver this Contract without the consent or agreement of any other person, and that those persons executing this

Contract on behalf of City have the right and power to execute and deliver this Contract.

- 4.03 Contractor warrants that Contractor has full right and power to execute and deliver this Contract without consent or agreement of any other person, and that those persons who have executed and delivered this Contract have the authority and power to execute this Contract on Contractor's behalf.
- 4.04 The City shall pay the Contractor a monthly payment of _____ to operate the San Angelo Landfill. The monthly payment reflects a City approved base cost plus 20% of the base cost. San Angelo Landfill revenue received by Contractor shall be deposited in an account to the credit of the City.
- 4.05 Contractor shall not be responsible for the payment of any taxes or assessments levied against the San Angelo Landfill by any governmental or quasi-governmental authority, which are due and payable during the Term hereof.
- 4.06 Contractor has the exclusive authority to control the operation and day-to-day management of the San Angelo Landfill and shall keep it open in accordance with all laws, regulations, and the permits ("Laws").
- 4.07 City hereby represents and warrants that the San Angelo Landfill is built and operated in accordance with all applicable Laws and if at any time during the Term the San Angelo Landfill shall not be in compliance through no fault of the Contractor, it shall be the responsibility of City to bring the San Angelo Landfill back into compliance with such Laws.
- 4.08 Contractor shall operate and maintain the San Angelo Landfill in compliance with all Laws. City shall maintain and repair all public roads used for access to the San Angelo Landfill. The City is responsible for maintaining sufficient financial assurance required by all Laws.
- 4.09 City shall maintain the responsibility for damages and response costs, if any, which occur as a result of Contractor's operation of the San Angelo Landfill prior to the Effective Date. After the Effective Date, Contractor shall retain the responsibility for damages and responsive costs, if any,

which occur as a result of Contractor's operation of the San Angelo Landfill after the Effective Date.

4.10 City agrees to cooperate with Contractor in obtaining any necessary permits, amendments, modifications and approvals from the applicable governmental authorities, including the execution of any applications or submittals in connection therewith, that may be required of City as the owner of the San Angelo Landfill.

4.11 City and Contractor agree that the City shall have the right to set waste disposal rates for any third party customers. Contractor has the right to subcontract part of the operations to other entities with consent by the City. Such consent may not be unreasonably withheld by the City.

4.12 Upon the expiration or earlier termination of the Term, Contractor shall surrender and deliver to City the San Angelo Landfill, all buildings and improvements thereon other than Contractor's property, in condition and repair typical for a solid waste landfill, reasonable wear and tear excepted.

5.0 COMPLIANCE WITH LAWS

The Contractor shall conduct operations under this Contract in compliance with all applicable Laws.

6.0 EFFECTIVE DATE

This Contract shall be effective upon the execution of the Contract and performance of such Contract shall begin on August 1, 2014.

7.0 NONDISCRIMINATION

The Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.

8.0 INDEMNITY

The Contractor will indemnify and save harmless the City as required by the Proposal.

9.0 LICENSES AND TAXES

The Contractor shall obtain all licenses and permits (other than the license and permit granted by the Contract) and promptly pay all taxes required by City.

10.0 TERM

The Contract shall be for the life of the Permit until the end of the post-closure care period.

11.0 INSURANCE

The Contractor shall at all times during the contract maintain in full force and effect insurance coverage as required by the Proposal.

12.0 TRANSFERABILITY AND AMENDMENT OF CONTRACT

No assignment of the Contract or any right occurring under this Contract shall be made in whole or in part by either party without the express written consent of the other party. All provisions of the Contract shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon the written consent of the parties, which consents shall not be unreasonably withheld. No amendment shall be construed to release either party from any obligation of the Contract except as specifically provided for in such amendment.

13.0 RIGHTS OF CONTRACTOR

The City, during the term of this Contract, shall not enter into any contract with a third party to obtain the services performed by the Contractor under this Contract and shall not suffer or permit any other party to provide similar service within the City.

14.0 SUBCONTRACTORS

Use of Subcontractors by the Contractor or subsidiaries or affiliates of the Contractor for technical or professional services shall not be considered an assignment of this agreement; provided that in any such event the Contractor shall be and remains responsible for all services and performance provided under this Contract. However, the City reserves the right to approve in writing the use of other specific subcontractors.

15.0 RIGHTS OF THE CITY

The City shall have the right and option to terminate this Contract, after 90 days written notice to Contractor and hearing for breach of this Contract; provided that Contractor shall be given a thirty (30) day period after the hearing in which to cure such breach. In the event a period for curing such breach is provided, a second hearing shall be held at the expiration of the cure period and this Contract shall not be terminated if it is found that the breach has been cured and resolved during such cure period. In the event the City Council finds, after notice and hearing held at any time after any previous opportunity to cure, that Contractor has breached this Contract, the City Council may terminate this Contract.

16.0 FORCE MAJEURE AND INTERRUPTION OF SERVICE

The Contractor shall not be liable for the failure to perform its duties if such failure is caused by a catastrophe, riot, war, government order or regulation, strike, fire, accident, act of God, or similar or different contingency beyond the reasonable control of the Contractor. If service under the Contract is discontinued for more than 72 hours beyond the regular schedule due to the fault of the Contractor, the City may seek other temporary arrangements.

17.0

SEVERABILITY

In the event that any provision or portion thereof of the Contract shall be found to be invalid or unenforceable, then such provisions or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of the Contract provision shall not affect the validity or enforceability of any other provision or portion thereof within the Contract.

IN WITNESS WHEREOF, we, the contracting parties, by our fully authorized agents, hereto affix our signatures and seals at San Angelo, Texas, as of this the ____ day of _____, 2014.

ATTESTED HEREUNTO:

CITY OF SAN ANGELO

A Municipal Corporation of
Tom Green County, of the State of Texas

By: _____
Mayor

By: _____
City Secretary

SEAL of the City of San Angelo
In Tom Green County, of the State of Texas

ATTESTED HEREUNTO:

TEXAS LANDFILL MANAGEMENT, LLC

By: _____
Bob Gregory, CEO & President

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EXECUTIVE SUMMARY – COLLECTION SERVICES

Texas Disposal Systems, Inc. (TDS) www.texasdisposal.com is a fully integrated waste services company with headquarters in Austin, Texas. Founded in 1977 in Austin, by brothers Bob and Jim Gregory, as a single truck, one customer solid waste hauling company, TDS has since developed into a nationally recognized leader in environmentally sound waste management, recycling, composting and innovative waste diversion practices. With a commitment to customer satisfaction and environmental preservation, TDS has become one of the largest independently-owned, solid waste collection, processing and disposal companies in the nation.

The TDS Austin integrated facility and business model has been developed and refined over the past 37 years into an example of the value TDS can bring to community partners, such as the City of San Angelo where co-owners Bob and Jim Gregory were born and raised. In fact, they grew up working in the scrap metal business, Acme Iron & Metal Co., which their father founded in San Angelo more than 62 years ago, and which Bob Gregory has continued to own and operate since 1984, is a valuable contributor to the San Angelo business community.

Implementation of appropriate aspects of the TDS facility development model in other markets outside of central Texas and in select locations in the United States has long been a strategic goal of TDS, and we can think of no better place to do so than the region and City that helped make us what we are today. It is with a particular sense of pride that the Gregory family and TDS present this proposal to our hometown. The success of TDS has been in no small part due to the values of hard work, honesty and thrift that come from our west Texas heritage.

The TDS proposal includes options and alternatives for consolidated solid waste and yard waste collection, bulk waste collection services, and single stream recycling services. TDS will provide a full service approach to residential, commercial and industrial solid waste collection services, with new expanded recycling opportunities for all residents and commercial customers at the appropriate time.

The TDS proposal responds to the two options listed in the RFP for residential services and additionally gives five alternative proposals. These alternatives are provided to help the City customize a plan that will provide the most value to the City and its residents. TDS is offering numerous options that can be strategically crafted to deliver the City and its residents the level of service that the City believes offers the most value. There are many components that make up the service requirements and the corresponding costs. We believe that arming the City with more information about both the benefit to the City of each specific service feature, as well as the cost associated with providing that feature will place the City in a position of strength when making a decision for what is the best choice for the citizens of San Angelo. The options and alternatives TDS is offering the City of San Angelo for the residential curbside collection of solid waste and yard waste and for bulk waste collection services are:

- Option I – twice weekly solid waste collection with 96 gallon with cart
- Option II – once weekly solid waste with 96 gallon cart, single stream recycling collection once a week with cart
- Alternative A – twice weekly solid waste collection with no cart; no recycling
- Alternative B – twice weekly solid waste collection with a City-purchased 96 gallon cart; no recycling
- Alternative C – once weekly solid waste collection with a City-purchased 96 gallon cart; no recycling

- Alternative D – once weekly solid waste collection with a City-purchased 96 gallon cart, recycling every other week with City-purchased 96 gallon cart
- Alternative E – once weekly solid waste collection with no cart, recycling every other week with City-purchased 96 gallon cart

The landfill disposal cost is typically the largest cost component in the rates associated with offering residential curbside solid waste collection. Each of the above options and alternatives for residential curbside collection service has been calculated using a \$30 per ton landfill cost as suggested in the RFP addendums. The RFP additionally states that a volume discount could be available to haulers. If TDS were awarded the hauling contract for the City this would mean that TDS would most likely be the largest customer at the San Angelo landfill and could potentially qualify for a volume discount, if approved by the City Council. TDS believes that the purpose of a landfill volume discount is to be able to add value to all parties involved in the process, not just the landfill operator or the hauling contractor. Because of our strong belief that a volume discount should additionally benefit the citizens of San Angelo, we have included in each of our seven responses a tiered landfill rate illustrating the benefit to the citizens of San Angelo and how this landfill volume discount reduces both their residential and commercial rates. This rate transparency is a radical change from the current rate structure for both residential and commercial customers, as well as the City.

TDS proposes, if selected as the City's service provider for the waste hauling contract, that we pay the landfill fees directly to the City, based on the contracted tonnage charges, each month. The City would then pay the landfill operator the contracted revenue stream of the landfill fee agreed to in the landfill contract. This further empowers the City by placing the City in the middle of the revenue stream instead of at the tail end. This adds further clarification and transparency to the landfill revenue stream due the City that would arise as a direct result of structuring the hauling and landfill contracts in this manner.

The TDS proposal provides for an expansion of container sizes for commercial service and opportunities for businesses to "right size" their waste service levels to increase efficiency, lower costs, and as an added benefit, create less truck traffic on City streets. Our proposal adds commercial carts for recycling and 3 and 6 cubic yard commercial containers that are not available in the current ordinance rates. It is our strong belief that when we approach each individual commercial customer with additional options for container sizes, this will mean larger savings for these customers who may now be paying for more service than they actually need. This approach of empowering customers with more options adds value to our relationship with them and is consistent with our desire to be a long term partner with both the City of San Angelo and each one of its residents and customers. Of the 2,507 commercial customers that are currently serviced under this contract, we estimate approximately 1,300 to 1,500 customers will be able to reduce their service levels as a result of the increased service options available in our proposal.

As we spoke with commercial customers inside the City to gauge their level of satisfaction with the City's existing provider's service, we found something that surprised us. We were provided bills from commercial customers (which are billed directly by the contractor) showing charges for added fuel and environmental fees. We were not sure if these were authorized charges because these fees are in addition to the rates listed in the City ordinance governing the commercial rates allowable to be charged by the provider. We subsequently asked questions about this practice in the RFP process. RFP Addendum 3, Question 1 asks: *"What is the current approved rate that may be charged to commercial customers including all rates, franchise fees, charges, and surcharges?"* The response was *"City*

Ordinance allows commercial customers to be charged \$96.61 for a 4-yard container collected once per week to include all fees, charges, surcharges, and taxes. Commercial customers are currently charged \$101.48 by the current collector for a 4-yard container collected once per week to include all fees, charges, surcharges, proprietary fees and taxes.” Based on this question and response, it appears that the current provider is charging rates associated with these surcharges that exceed the maximum rates allowable by City ordinance.

Also, in response to our question regarding the practice by the current provider to charge environmental fees on commercial customer’s bills the City responded that no environmental fee billed by the current contractor has been set aside for the benefit of the landfill. While the existing contractor charges an environmental fee that does not benefit the City, TDS has never charged an environmental surcharge that is not required by and remitted to a governmental or regulatory entity. In an effort to increase transparency in rates, TDS will not charge any additional fees or surcharges to the rates proposed in these documents with the exception of charges or surcharges required by and submitted to governmental or regulatory entities. We have responded to this proposal with a set of commercial rates that are the full rates we will charge the commercial customers of San Angelo, if selected as the City’s contractor. TDS has no desire to add additional fees to these rates, in an effort to charge customers more than is allowed by City ordinance. The only additional fees would be added by the City for franchise fees and sales tax (if applicable). TDS believes it is inappropriate that Republic Services has charged the City’s commercial customers more than City ordinance allows.

TDS is a privately owned, regional Texas company. Even though we are not a national publicly owned company, TDS has more than adequate financial resources and operating infrastructure to fulfill all requirements outlined in the RFP. While the overall size of any respondent may be a consideration to some, the total number of employees a company has, the total number of trucks it operates, or the total number of landfills it operates is not necessarily the best factor to determine the best partner for the City. In fact, bigger isn’t always better. We think that the people who have chosen to make a life in San Angelo know this very well. It has never been the goal of TDS to be the largest company in the country. It has always been the goal of TDS, since its inception, to be the best company, to show attention to detail, to develop long term partners, and to be as our motto proudly declares “*Noticeably Different, Noticeably Better.*” TDS did not win an award for operating the largest number of landfills in the country, but we were awarded the Solid Waste Association of North America Gold level award signifying our landfill southeast of Austin as the “best” landfill in North America. The personal commitment and dedication of a family business with the resources of a large corporation are often the better choice.

Although TDS does not currently have as large a presence in the City of San Angelo as the current contractor, the Company owners have a proud heritage of over 60 years of serving and operating a business in San Angelo. The principal owner, Bob Gregory, owns and operates Acme Iron and Metal Co., a full-service scrap metal processing facility. TDS is currently providing waste collection services to customers and communities outside the existing San Angelo service contract. Since July 2013 when TDS was granted a permit to haul waste on City streets and the use of the City’s Landfill, four municipal and institutional entities in the area have issued RFPs and sought competitive proposals for waste collection services. When given a choice, Angelo State University, the City of Mertzon, City of Paint Rock, and Sterling City all selected and entered into long term contracts with TDS. Each of these entities previously received services from the same provider currently serving the City of San Angelo. When given the opportunity to improve services and add value, each of these entities voted to change to TDS.

While it is one thing to state our values and intentions in this RFP and the value we will bring the City of San Angelo, we believe, like most Texans, that actions speak louder than words. TDS has been recognized for our efforts by various organizations and communities in which we operate, receiving in 2013 the Ethics in Business and Community Award, and from Baylor University's Institute for Family Business, the Texas Family Business of the Year Stewardship Award. Over the years TDS has won awards for fleet safety from the American Trucking Association, the Texas Motor Transportation Association, and from Liberty Mutual Insurance Company giving the City peace of mind that our drivers operate in a company directed, intentional safety first manner. A complete listing of the numerous awards won by TDS is included in the proposal.

TDS is interested in developing in and around the San Angelo area the same type of business model as the Company has established in central Texas. This model would promote a strong partnership with the City of San Angelo, emphasizing service excellence, multiple recycling and landfill diversion service options, rate transparency, and tangible benefits to the City and the community. TDS has an exemplary environmental record, high quality service standards, and lives up to our motto *"Noticeably Different, Noticeably Better"*.

TDS has the ability, technology, commitment, financial strength, innovative management, and proven track record to be a vital long-term partner with the City of San Angelo. TDS looks forward to bringing added value to the City, and its residents and businesses.

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CITY OF SAN ANGELO
PURCHASING DEPARTMENT
72 West College Avenue, San Angelo, Texas 76903
Tel: (325) 657-4219 or 657-4220

General Information, Attachment A
To be submitted with Respondent's Proposal as

TAB 2 for Landfill Lease and Operation

TAB 10 for Waste Collection Services

1. Respondent Information: Provide the following information regarding the Respondent.

(NOTE: Co-Respondents are two or more entities proposing as a team or joint venture with each signing the contract, if awarded. Sub-contractors are not Co-Respondents and should not be identified here. If this proposal includes Co-Respondents, provide the required information in this Item #1 for each Co-Respondent by copying and inserting an additional block(s) before Item #2.)

Respondent Name: Texas Disposal Systems, Inc.
(NOTE: Give exact legal name as it will appear on the contract, if awarded.)

Principal Address: 12200 Carl Rd. City, Austin State Texas Zip Code: 78610

Telephone No: 512-421-1300 Fax No: 512-243-4123

Website address: www.texasdisposal.com

Social Security Number or Federal Employer Identification Number: 75-1579711

Texas Comptroller's Taxpayer Number, if applicable: _____
(NOTE: This 11-digit number is sometimes referred to as the Comptroller's TIN or TID.)

DUNS NUMBER: 09-290-1214

Business Structure: Check the box that indicates the business structure of the Respondent.

☐ Individual or Sole Proprietorship If checked, list Assumed Name, if any: _____

☐ Limited Liability Corporation

☒ S Corporation If checked, check one: ☒ For-Profit ☐ Nonprofit
Also, check one: ☐ Domestic ☐ Foreign

Other If checked, list business structure: _____

Printed Name of Contract Signatory: Bob Gregory

Job Title: President and Chief Executive Officer

Provide any other names under which Respondent has operated within the last 10 years and length of time under for each:

Provide address of office from which this project would be managed:

City: San Angelo State: Texas Zip Code: 79603

Telephone No. 325-653-1133 Fax No: 325-657-2925

Total Number of Employees: 416

Briefly describe other lines of business that the company is directly or indirectly affiliated with:

List Related Companies:

Texas Landfill Management, LLC

Acme Iron and Metal

2. **Contact Information:** List the one person who the City may contact concerning your proposal or setting dates for meetings.

Name: Ryan Beard Title: Municipal Sales Manager

Address: 12200 Carl Rd.

City: Creedmoor State: Texas Zip Code: 78610

Telephone No: 512-659-0602 Fax No: 512-421-1325

Email: rbeard@texasdisposal.com

3. **Mergers:** Does Respondent anticipate any mergers, transfer of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months?

 Yes x No If "Yes", list authorizations/licenses.

4. **Licenses:** Is Respondent authorized and/or licensed to do business in Texas?

 Yes x No If "Yes", list authorizations/licenses.

State of Texas Charter #422373, Date of Incorporation August 31, 1995

5. **Headquarters:** Where is the Respondent's corporate headquarters located?

12200 Carl Rd., Creedmoor, TX 78610

6. **Debarment/Suspension Information:** Has the Respondent or any of its principals been debarred or suspended from contracting with any public entity?

_____ Yes ☒ No

If "Yes", identify the public entity and the name and current phone number of a representative of the public entity familiar with the debarment or suspension, and state the reason for or circumstances surrounding the debarment or suspension, including but not limited to the period of time for such debarment or suspension.

7. **Surety Information:** Has the Respondent ever had a bond or surety canceled or forfeited?

_____ Yes ☒ No If "Yes", state the name of the bonding company, date, amount of bond and reason for such cancellation or forfeiture.

8. **Bankruptcy Information:** Has the Respondent ever been declared bankrupt or filed for protection from creditors under state or federal proceedings?

_____ Yes ☒ No If "Yes", state the date, court, jurisdiction, cause number, amount of liabilities and amount of assets.

9. **Disciplinary Action:** Has the Respondent ever received any disciplinary action, or any pending disciplinary action, from any regulatory bodies or professional organizations?

_____ Yes ☒ No If "Yes", state the name of the regulatory body or professional organization, date and reason for disciplinary or impending disciplinary action.

10. **Previous Contracts:**

a. Has the Respondent ever failed to complete any contract awarded?

_____ Yes ☒ No If "Yes", state the name of the organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

- b. Has any officer or partner proposed for this assignment ever been an officer or partner of some other organization that failed to complete a contract?

 Yes x No If "Yes", state the name of the individual, organization contracted with, services contracted, date, contract amount and reason for failing to complete the contract.

- c. Has any officer or partner proposed for this assignment ever failed to complete a contract handled in his or her own name?

 Yes x No If "Yes", state the name of the individual, organization contracted with, ~~services~~ contracted, date, contract amount and reason for failing to complete the contract.

THIS FORM MUST BE RETURNED WITH THE PROPOSAL
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CONFLICT OF INTEREST QUESTIONNAIRE**FORM CIQ****For vendor or other person doing business with local governmental entity**

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

N/A

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship._____
Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

☐ Yes☐ No

Not Applicable

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes☐ No

Not Applicable

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

☐ Yes☐ No

Not Applicable

D. Describe each employment or business relationship with the local government officer named in this section.

None

4_____
Signature of person doing business with the governmental entity_____
Date**THIS FORM MUST BE RETURNED WITH THE PROPOSAL****Adopted 06/29/2007**



CITY OF SAN ANGELO

PURCHASING DEPARTMENT

72 West College Avenue, San Angelo, Texas 76903
Tel: (325) 657-4219 or 657-4220

Debarment and Suspension Certification

- (1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
- (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Texas Disposal Systems, Inc.

Company

By 

CEO & President

Title

12200 Carl Road

Address

Creedmoor, TX 78610

City, State Zip

Note: Agents must provide evidence of authority to bind corporation.

THIS FORM MUST BE RETURNED WITH THE PROPOSAL

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EXPERIENCE, BACKGROUND, QUALIFICATIONS AND REFERENCES

Company Overview

Texas Disposal Systems, Inc. (TDS) is a 37 year old, privately owned Texas Corporation with over 600 employees. TDS has long-term experience providing residential and commercial waste collection and disposal, and recycling processing services.

TDS has developed an extensive and successful service delivery system to meet the needs of its customers. In addition to its collection and hauling services, TDS has operated transfer stations in and for various Texas cities, including San Antonio, Georgetown, Weimar and Bee Cave, since 1993.

The TDS Materials Recovery Facility (MRF), physically located at 3606 FM 1327, Creedmoor, Texas and situated on the 2,000 acre TDS site in southeast Travis County opened in October 2010. The 107,000 square foot facility is capable of processing in excess of 10,000 tons per month of residential and commercial streams of separated and commingled recyclables, and can be expanded to process greater volumes when needed. The TDS MRF has processed over 70,000 tons per year of residential and commercial recyclables from the Cities of Austin, Georgetown, San Marcos, Kyle, Sealy, Giddings, Buda and over 80 other Texas communities. Recyclables successfully marketed by TDS include various grades of fiber, plastic, ferrous and non-ferrous metal and glass commodities.

Texas Disposal Systems Landfill, Inc. (TDSL), is a sister company of TDS. TDSL was opened on February 1, 1991. It is a 732 acre permitted facility with a Type 1 Municipal Solid Waste landfill (TCEQ Permit #2123) located on the TDS site in Travis County. The landfill is one of the largest in Texas and currently has over 25 years of remaining authorized disposal capacity based on current annual volumes.

Additionally, TDS owns Garden-Ville and Texas Organic Products (TOP). Both Garden-Ville and TOP produce chemical-free, natural, organic mulch and compost sold through Garden-Ville stores and garden centers region-wide. Active and static windrows are managed at the on-site composting facility, which accepts wood waste, green waste, and food waste that has been diverted from landfill disposal.

The Company has steadily added new services and expanded its area of service in central, south and west Texas and has demonstrated its ability to help customers manage solid waste and recycling in an environmentally sound manner. TDS has a strong record of environmental compliance, and maintains the support of various environmental groups. No environmental group has ever opposed any TDS project.

Corporate Entity and Structure of Business

TDS provides all basic services that, municipalities and businesses depend on for their waste collection, disposal, composting, and recycling needs, and maintains a high level of customer and client satisfaction. The excellence and quality focus that TDS has developed has come directly from TDS's primary management team. As President and CEO, Bob Gregory stresses quality control and sustainability from a personal perspective. The customer satisfaction compliance history of the company demonstrates that the long-term integrity of the company is more important than short-term profit. TDS stresses quality from a customer oriented and business management perspective. These two core values: a commitment to management and environmental compliance integrity, and straightforward business

management practices, are a dynamic force in leading the company to ever increasing standards of quality, customer service, innovation, and growth.

The leadership conducts itself in a manner that puts the safety and well-being of the employee in the forefront of decision making. The result is that our employees put the well-being and satisfaction of the customer in the forefront of their decision making.

Collections Experience

TDS has extensive experience operating waste and recycling collections services, like those proposed for the City of San Angelo. TDS has a long history of working with businesses of all sizes, governmental entities, educational facilities, homeowner's associations (HOA's), area municipal utility districts (MUD's), and individual property owners throughout Texas. Currently, TDS has municipal and school district contracts from as far west as Alpine and as far east as Sealy. TDS now services approximately 100 communities in Texas, and provides services from nine different locations.

From the Austin operations site, TDS serves over 50,000 homes for curbside pickup and over 4,000 commercial customers. From the TDS Georgetown site TDS serves 25,000 residences and over 1,000 commercial accounts. TDS also has operations in southeast Texas, San Antonio, and Alpine, Texas.

Examples of long-term, stable relationships with municipalities include the TDS relationships with the cities of Georgetown, San Marcos, and Kyle. The City of Georgetown, Texas has contracted for service with TDS for over 15 years, since 1998. Exclusive services provided include: residential and commercial solid waste and single stream recycling cart services, including bulky waste and yard waste services; commercial front-load and compactor services; roll-off container services; management and operation of the City Collection and Transfer Station.

The City of San Marcos is the county seat for Hays County, and TDS has provided exclusive waste and single stream curbside recycling residential services and bulky waste service for nine years, with the added responsibility for providing exclusive commercial single stream recycling services for multi-family complexes added in 2011.

The City of Kyle has contracted with TDS for exclusive residential services for eleven years, during which time the City has experienced an extremely high growth rate. Several years ago the City added exclusive commercial services to the TDS contract including front-load, compactor, and permanent roll-off container services. Residential services in Kyle include curbside collection of solid waste, single stream curbside recycling, and curbside green waste composting, as well as bulky waste services.

Transition Experience

Although TDS has a history of retaining long-standing contracts with customers, we have also been successful in winning contracts from municipalities that have issued requests for proposals. These contract awards have resulted in our taking over collections operations from another company. We also have transition experience in converting services from none or limited recycling to full curbside recycling with a single stream program. TDS has now implemented successful single stream recycling services for over 80 communities, including Georgetown, San Marcos, Kyle, Sealy, Giddings, and others. We also

have experience in transitioning communities/municipalities from non-exclusive to exclusive commercial services.

When TDS initially won the contract award for the City of Georgetown in 1998, transition was necessary to change from the contractor at that time (Waste Management, Inc.) to TDS. Services transitioned included residential curbside collection and commercial collection. Existing commercial services were not well documented, so TDS personnel visited each business and developed service records, giving customers the opportunity to make changes as they desired. Compounding the difficulty was a change in service levels for a large portion of the residential community from solid waste collection two times a week to once a week.

Many customers were unhappy about the City Council decision to change their service levels from two collections a week to one. Extensive efforts were required to provide public education and notifications. TDS personnel worked with City staff to conduct public meetings, giving residents an opportunity to learn about the changes and ask questions. Media coverage was thorough, with TDS and the City cooperating on the development of press releases and interviews. Personal notifications were sent to customers, to be certain everyone knew about the changes and understood the rationale for them.

Because TDS implemented effective quality control measures and performance standards, which had not previously been included in city contracts, the transition worked out positively for the City and customers and as a result TDS has had a long-term relationship with Georgetown and the surrounding area.

When TDS transitioned San Marcos, Kyle, Buda, Giddings, Sealy, Georgetown, various MUD districts and HOAs to curbside single stream recycling, we found that it took a strong partnership to achieve a successful recycling transition. Assisting the City in educating its residents is a key component to an effective implementation.

TDS has a transition team to help transition all customers from the current vendor to TDS. This team includes representatives from many departments including Operations, Customer Care, Billing, Accounting, Sales, and our Corporate office.

TDS transition team members come to the City's office and work together with City staff to build relationships, understand any issue from the City's perspective, discuss and coordinate process implementation, agree on procedural methods, and coordinate the transition. This transition team would meet at least three times prior to the transition of this contract on August 1, 2014. Daily phone conversations and in person meetings will be conducted for the first two weeks of the transition to check every issue in each department. After this, weekly updates will continue for the following four weeks, and then only as needed.

References

TDS has years of experience providing collection and hauling services like those requested by the City of San Angelo. TDS is a regional company and has operations in various locations throughout the state. The two divisions handling work most similar to that of San Angelo are located in Austin and Georgetown.

City of Georgetown, Texas

Contact Person (contract administrator) and title, address and phone number, and email address:

Kathy Ragsdale
Environmental & Conservation Services Manager
Georgetown Utility Systems
Box 409
Georgetown, TX 78627
(512) 930-2577
Kathy.Ragsdale@georgetown.org

Other contacts:

Paul Brandenburg
City Manager
City Manager's Office
(512) 930-3723
Paul.Brandenburg@georgetown.org

Jim Briggs
Assistant City Manager
Georgetown Utility Systems
(512) 930-2010
Jim.Briggs@georgetown.org

Dates of service: 1998 to current for residential and commercial services, 2000 to current for management and operation of City's Collection and Transfer Station.

Approximate value of contract: Proprietary information

Services provided:

- Residential and commercial solid waste and recycling cart services, including bulky waste and yard trimmings services
- Commercial front-load, compactor, and roll-off container services
- Management and operation of the City Collection and Transfer Station
- Management of closed landfill site
- Management of green waste site located on closed landfill site
- Construction and demolition sorting and diversion operation on the closed landfill site
- City Brush Grinding Station

Quantities of waste collected and disposed in each of the last five years: This contract does not require the waste generated by City residents to be segregated, but allows for the commingling of waste with other TDS customers located outside the City. Because of this, weights for waste generated specifically by this contract are not available.

Equipment assigned to jurisdiction and used for collections operations:

- Front-load trucks - 4
- Rear-load trucks - 9
- Roll-off trucks - 4
- Roll-off Pup Trailers – 2

Number of employees overseen: 35

Problems experienced and actions taken to resolve them (specifically any enforcement actions and the resolution with regulators): None

Evidence of customer/jurisdiction satisfaction with service: Contract renewed twice since 1998, addition of management of closed landfill site, the addition of the management of the green waste site on the closed landfill property, the addition of a construction and demolition sorting and diversion operation on the closed landfill site and the initiation of a curbside green waste collection.

Copies of all inspection reports from the listed regulatory agencies for the last two inspections, if any: None

City of San Marcos, Texas

Contact Person (contract administrator) and title, address and phone number, and email address:

Mark Brinkley, R.S.
Assistant Director of Community Services
Environmental Health
City of San Marcos
630 E Hopkins
San Marcos, TX 78666
(512) 393-8440
mbrinkley@sanmarcostx.gov

Other contacts:

Daniel Guerrero
Mayor
City of San Marcos
630 E Hopkins
San Marcos, TX 78666
512-618-8341
dguerrero@sanmarcostx.gov

John Thomaides
City Council Member
City Hall
(512) 757-3634
jtcitycouncil@gmail.com

Dates of service: 2003 to current for residential services, and 2011 to current for multi-family commercial services.

Approximate value of contract: Proprietary information

Services provided include:

- Exclusive provider of residential solid waste and recycling services
- Bulky waste services
- Exclusive provider of multi-family commercial recycling services

Quantities of waste collected and disposed in each of the last five years: This contract does not require the waste generated by City residents to be segregated, but allows for the commingling of waste with other TDS customers located outside the City. Because of this, weights for waste generated specifically by this contract are not available.

Equipment assigned to jurisdiction and used for collections operations: serviced from our Austin office

- Front-load trucks - 2
- Automated side-load trucks - 3
- Roll-off trucks- 1

Number of employees overseen: 5

Problems experienced and actions taken to resolve them (specifically any enforcement actions and the resolution with regulators): None

Evidence of customer/jurisdiction satisfaction with service: Contract has been renewed twice in the past seven years and has added services each time without seeking an RFP

Copies of all inspection reports from the listed regulatory agencies for the last two inspections, if any: None

City of Kyle, Texas

Contact Person (contract administrator) and title, address and phone number, and email address:

Lanny Lambert
City Manager
(512) 262-3927
llambert@cityofkyle.com

Other contacts:

Diane Hervol
City Council Member
City of Kyle
512-560-2689 Cell

Dates of service:

- 2001 to current for residential services, open market commercial services
- 2011 to current - exclusive provider of commercial services

Approximate value of contract: Proprietary information

Services provided:

- Exclusive provider of residential and commercial solid waste
- Exclusive provider of residential curbside recycling and composting cart services
- Exclusive provider of bulky waste services
- Exclusive provider of commercial frontload, compactor, and roll-off container services

Quantities of waste collected and disposed in each of the last five years: This contract does not require the waste generated by City residents to be segregated, but allows for the commingling of waste with other TDS customers located outside the City. Because of this, weights for waste generated specifically by this contract are not available.

Equipment assigned to jurisdiction and used for collections operations: serviced from our Austin office

- Front-load trucks - 1
- Rear-load trucks- 2
- Automated side-load trucks - 2
- Roll-off trucks- 1

Number of employees overseen: 6

Problems experienced and actions taken to resolve them (specifically any enforcement actions and the resolution with regulators): None

Evidence of customer/jurisdiction satisfaction with service: Contract renewed for 10 years in 2011 without seeking an RFP. Added exclusive residential curbside composting service at that time.

Copies of all inspection reports from the listed regulatory agencies for the last two inspections, if any: None

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Scope of Services and Technical Specifications, Method of Approach

Residential Collection and Disposal Services

The TDS proposal is designed to meet the City of San Angelo's requirements as outlined in the City's RFP. Included in the TDS proposal are options for service levels and costs as requested in the RFP as well as several other options for the City's consideration. These options offer alternative approaches to providing collection and disposal services that may provide the City with additional flexibility, value and benefits. Services can be phased in and/or configured as the City desires, and provide the City various mixes for the types of services that TDS can provide to the City.

The RFP requests 2 different service level options for residential and commercial service. In order to offer the City the widest range of choices and the most transparent rate options, we have included 3 different rate tiers depending on the landfill disposal fees TDS pays to the City. Typically, the landfill disposal fee is the largest cost component in both residential and commercial rate calculations. The City suggested respondents use a \$30 per ton landfill fee in calculating residential and commercial rates for this RFP response. An additional question posed to the City during the RFP process asked if haulers could be offered a volume discount based on volumes delivered to the City's landfill. We took both of these responses into consideration when crafting our pricing response. If awarded the hauling contract in this RFP, TDS would most likely be the landfill's largest customer and would therefore qualify for a landfill volume discount, if one is approved by the City. This is why we show in our rate calculations what effect a \$5 or \$10 per ton volume discount would have on both residential and commercial customers. These additional landfill rate tiers give the City many more options in selecting the best service fit and rate structure for the residents, the commercial businesses, and the City.

In addition to the 2 options required in the RFP for residential curbside service, TDS has also included 5 alternatives for your consideration. The purpose of these alternatives is to provide details of the variety of choices and service levels that TDS can offer the City. Pricing for each alternative includes all 3 landfill disposal rate tiers mentioned above. TDS has included the same 3 landfill disposal rate tiers in our response for commercial rates. We understand that these rate tiers will be a point of negotiation if TDS enters into negotiations with the City for this contract and we would be happy to answer any questions concerning them at any time, either before or during the contract negotiation process. This level of detail is provided in order to be transparent with all elements of proposed rates.

Residential Service Units

TDS proposes the following options, as required in the RFP. TDS has significant experience providing residential service to many communities. Options 1 and 2 provide solid waste curbside collection with a TDS purchased cart between 7:00 AM and 6:00 PM. Yard waste is included within the solid waste collection. Bulk waste is to be collected quarterly via curbside collection. Single stream recycling will begin at a later date and will be provided once per week with a TDS purchased cart between 7:00 AM and 6:00 PM.

Option 1 - twice weekly solid waste collection with a 96 gallon cart with rates for both before and after recycling implementation

Option 2 - once weekly solid waste collection with a 96 gallon cart with rates for both before and after recycling implementation

TDS proposes the following alternatives to the options required by the RFP. All options would provide solid waste curbside collection between 7:00 AM and 6:00 PM. Yard waste is included within the solid waste collection. Bulk waste is to be collected bi-annually via curbside collection.

In all the alternative proposals, TDS has given the option to the City to purchase and own their own carts for this contract. There will be an additional fee of .65 per month per cart if the City wishes TDS to purchase the carts. TDS will retain the responsibility and ownership of the carts if purchased by TDS. Many of our existing recycling customers are served every other week, which lowers both the cost and the truck traffic on residential City streets. All alternative proposals modify environmental insurance provisions from \$20,000,000 to \$10,000,000 annual aggregate. All alternative proposals eliminate the RFP letter of credit provision and have no fees included for a letter of credit or performance bond. Either can be added to any alternatives for an additional fee. Fees are based on levels of insurance desired by the City and can be negotiated. All the terms listed above serve to lower the overall cost of service. All alternative proposals have 3 landfill tier choices outlined in the pricing section based on a \$30, \$25 or \$20 per ton disposal fee. These choices are listed as A30, A25 and A20 for alternative proposal A. Each alternative proposal is listed similarly in the pricing matrix.

Alternative Proposal A – twice weekly solid waste collection with no cart; no recycling

Alternative Proposal B – twice weekly solid waste collection with a City-purchased 96 gallon cart; no recycling

Alternative Proposal C – once weekly solid waste collection with a City-purchased 96 gallon cart; no recycling

Alternative Proposal D – once weekly solid waste collection with a City-purchased 96 gallon cart, recycling every other week with City-purchased 96 gallon cart

Alternative Proposal E – once weekly solid waste collection with no cart, recycling every other week with City-purchased 96 gallon cart

In Alternative Proposals D and E above, single stream recycling service is performed every other week on the same day as the trash service. TDS provides curbside recycling services for over 80 communities in Texas and the vast majority of these communities have curbside recycling services performed every other week. This method cuts down on truck time, the number of trucks required, labor, and fuel expense. This approach also gives the added benefit to the City of less truck traffic and less wear and tear on City streets. Additionally, this has the added benefit of lowering the cost of recycling services to the residents. The City can phase in recycling, as desired.

Comprehensive Logistical Implementation Plan for Single Stream Recycling

Recyclable Materials Collected

TDS will collect, process, and market the following recyclable materials in the single stream system:

Paper products

- Magazines
- Catalogs
- Newspaper and newspaper inserts
- Office paper
- Junk mail

- Envelopes
- File folders

Cardboard/Boxboard

- Food boxes (without liners)
- Shipping boxes
- Shoe boxes

Empty Containers

- Aluminum beverage containers
- Water bottles
- Tin and steel food containers
- Clean aluminum foil
- Plastics with resin codes #1 - 7
- Bulk rigid plastics

The City has stated in the RFP that the provider will implement single stream curbside recycling not less than six (6) months and no more than thirty-six (36) months after the contract is awarded.

A TDS recycling coordinator will work with the City to set an implementation schedule and establish goals for diverting recyclable materials away from the landfill. The coordinator will help implement the education program for residents, and will continue follow up activities with the City to identify opportunities to further the City's goals and ensure a successful project. TDS will have experienced operations and customer care representatives handling the day to day functions for the City of San Angelo contracted services. Assigned route personnel will be responsible for collection and hauling services.

After the award of the contract and according to the service schedule agreed upon between the City and TDS, TDS will deliver a new single stream recycling cart to each home the week prior to the start of services. The program will allow San Angelo residents to recycle the extended list of items listed above. The recyclables will be collected from one cart, so there will be no need for residents to further separate the recyclable items. Once collected, the material will be transported either to local processing facilities in the San Angelo area or to the TDS Material Recovery Facility (MRF) located in southeast Travis County. The material will then be separated and processed at the facility. Once separated and processed, the products will be sold to secondary markets, or used locally if possible.

Education and Outreach Programs

Before, during, and following the implementation program for curbside recycling, TDS will utilize the Company's established education program, which is effective for both residents and City staff. A recycling educational packet will be attached to each cart when it is delivered to a resident. This packet will give information about the service schedule and identifies which items are recyclable. TDS also has electronic information and pictures which can be printed showing which items are recyclable, and will make such information and the schedules available to the City to be uploaded to the City's website. These tools empower residents to have information at their fingertips to both improve recycling participation levels and reduce contamination.

After implementation of the program, TDS will meet with City staff for periodic review of the progress toward City goals. TDS desires to assist the City to achieve continuous improvement year over year and will provide this type of ongoing support for San Angelo.

Reporting

Annual reports will include total volumes of recyclables collected from residents by month. This information will allow the City to determine the success of the program, and track the amount of materials diverted from landfill disposal.

Bulk Waste Collections

Residential curbside bulk waste collection of items too large to be set out in the solid waste cart will be provided quarterly by appointment. The traditional option for bulk curbside service is to have all services performed in one neighborhood during one specified week. This requires notification to each resident, and often materials can be left on the curb for the entire week. While this is an option, we have found that most residents prefer to call in for bulk service when they have a need. This allows them to have the service when they want it, instead of holding the materials for up to three months waiting for a scheduled collection. TDS tracks each resident's bulk requests and allows them to schedule service once per quarter. An alternative rate is given in the pricing schedule for bi-annual curbside bulk service. Up to 3 cubic yards will be collected from residential customers at each appointment. Additional bulk waste can be collected either at the time of the no cost service or at an additional appointment, for an additional fee.

Commercial and Industrial Services

Commercial and industrial services will include collection and disposal of solid waste via front-load containers, roll-off containers or roll-off compactors. Collection frequency for commercial front-load services may be scheduled from once up to seven times weekly, based upon customer requirements.

Commercial single stream recycling services, either in carts or containers, will be provided based upon customer requirements. TDS will proactively contact City commercial accounts to schedule an optional waste and recycling audit in order to determine the amount of recyclables that can be diverted from the commercial business waste stream and the best method of collection.

Hours of service will be based upon customer needs while observing requirements in the RFP and in areas around schools.

Currently, the businesses have options consisting of 96 gallon carts and 2, 4, and 8 cubic yard containers. In order to provide the best fit for customer needs, TDS will offer commercial businesses a complete line of options, including commercial 96 gallon trash and recycling carts, as well as 2, 3, 4, 6, and 8 cubic yard front-load containers.

It is our experience that when businesses are offered the opportunity to customize their waste service with appropriately sized containers and frequency of pickups they can save money and are more satisfied with their services. For example, a commercial customer with a 2 cubic yard container serviced 4 times per week could have an 8 yard container serviced one time per week. This simple change would increase efficiency, lower the monthly collection cost, and offer the added benefit of less truck traffic on roads.

Because the current contractor does not offer 3 and 6 cubic yard containers, commercial customers are forced to utilize larger containers for multiple pickups per week since the containers they are offered do not fit their trash requirements. There are 679 commercial customers that have a 2 cubic yard container serviced once weekly based on information supplied in RFP addendum 1 and 2. This represents 27.48% of the total commercial service in the City. A 2 cubic yard container has a little more capacity than 4 - 96 gallon carts.

Our records show that when a full range of container options are available, the number of customers requiring a 2 cubic yard container is approximately 12 to 13% of the total customer base. This means that the City may have as many as 300+ customers subscribing and paying for a 2 cubic yard container that could easily fit all of their trash in one or two 96-gallon carts. This would produce a smaller solid waste bill to the customer.

Another example is a customer with 4.5 cubic yards of trash per week that must order and pay for an 8 cubic yard container to handle his solid waste needs because 6 cubic yard containers are not currently offered as an option in San Angelo. When trash container sizes are limited, as in the current San Angelo contract, customers are required to pay for more service than they need.

Of the 2,507 commercial customers that are operating under this contract, we estimate that due to the limited container selection, approximately 1,300 to 1,500 customers will be able to reduce their service levels as a result of the increased service options for commercial customers available in our proposal.

It is TDS's opinion that services should be offered to customers at all-in rates, excluding additional fees, such as fuel surcharges and environmental fees. **TDS will not impose any environmental fees or fuel surcharges** to the customer's monthly statement, unless directed by the City.

Multi-Family and Designated Non-Residential Recycling Services

TDS has designed single stream recycling programs for multi-family housing as well as commercial office buildings. For example, TDS has successfully implemented single stream recycling for approximately 10,000 multi-family units in the City of San Marcos. This allowed all residents of the City, whether they live in single or multi-family housing, to participate in the same recycling program. In addition to working with multi-family complexes to provide containers for occupants to participate in recycling, TDS has developed an on-line training program that teaches all occupants how and which items to recycle and provides documents available for download. TDS also provides multi-family recycling services to customers in both the Austin and San Antonio areas.

TDS will work with the City of San Angelo to launch a multi-family and/or designated non-residential recycling program and will work with apartment complex owners and building managers to develop methods that are convenient for both occupants and management. TDS will work with the managers to

notify and educate occupants regarding the existence and proper participation in the program and will make our on-line training program available.

Materials to be collected will be the same as those available for recycling by all single family and commercial customers. This will enhance the City's recycling program by making it uniform across the City and making diversion goals more attainable. Containers to be used may be carts, front-load or roll-off containers, depending upon the needs and situation.

Collection Schedules and Routes

In order to minimize the impact on City residents, TDS will schedule residential collection services in the most efficient way while preserving as much of the current collection schedule as possible. TDS will ensure each residential household will have trash and recycling collection on the same day. Changes in routes and collection days will be dependent on service options selected by the City.

Commercial and industrial collection services will be scheduled to meet City and customer requirements.

Holidays

TDS may observe the following holidays listed by the City:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

If listed holidays fall on regular service days and are observed, all service days will slide one day. If the City chooses the option of keeping residential collection services at twice a week for solid waste, then collection after a holiday will occur on the next regularly scheduled pickup day following the holiday.

Equipment

Residential Carts

TDS uses 96 gallon carts for both trash and recycling services. The carts are designed for both automated and semi-automated collection of household waste and recyclables. Carts are purchased from Rehrig Pacific, Toter or other vendors producing similar high quality containers. These carts are injection molded with premium quality, resilient, high-density polyethylene (HDPE) resin, and are designed to provide many years of quality service and look good at the curb in virtually any neighborhood or climate. Carts for solid waste collection are forest green with a black lid, and those for recyclables collection are forest green with a tan lid. TDS's name, logo, and contact information will be imprinted on the containers for the convenience of customers.

All Rehrig Pacific and Toter carts are produced at plants within the United States and are warrantied for 10 full years.



TDS will provide replacements for destroyed, damaged, or unsightly carts upon the request of City staff or customers, with either new or used carts in good condition. Customers will be charged a cart replacement fee as provided in the RFP. TDS employees will take care to prevent damage to carts by unnecessary rough treatment, and TDS will be responsible for the routine maintenance of carts.

Commercial and Industrial Containers

TDS will provide the appropriate containers necessary to provide waste or recycling services to commercial and industrial customers based on their service needs. These containers may be 96 gallon carts, front-load containers, or roll-off containers.

TDS will purchase, distribute, and maintain all containers, with the exception of compactors owned by non-residential customers. TDS will provide installation and maintenance services to customers who own their own compactors for a fee based upon the type of service necessary.

TDS front-load containers are manufactured by Wastequip or a similar quality container manufacturer, in the color TDS Sage Green. They are engineered using heavy gauge steel to withstand the stress of continued use. Standard models feature 12 gauge sides and 10 gauge bottoms, high density polyethylene lids and fully welded inseams. Lids for containers for solid waste are black, while lids for containers for recyclable materials are tan. Roll-off containers and compactors, also in the color TDS Sage Green, are manufactured by Wastequip, Marathon or a similar quality container manufacturer. TDS's name, logo, and contact information will be included on the containers for the convenience of customers.

Containers will be available in the following capacities:

- Front-load containers - 2, 3, 4, 6, and 8 cubic yards
- Roll-off open top containers - 20, 30 or 40 cubic yards
- Stationary or self-contained roll-off compactors as well as front-load compactors are available in various sizes



2 yard container



3 yard container



4 yard container



6 yard container



8 yard container



20 yard roll-off open top container

TDS will provide routine maintenance to containers at no charge to the customer. Customers may be responsible for container damages caused by vandalism, theft, fire and misuse.

TDS has services for customer-owned compactors. If needed, TDS can provide customer training on how to safely and properly operate compactors. TDS will perform semi-annual maintenance service on

rented compactors which includes changing the hydraulic fluids, replacing filters, replacing worn hoses, checking for leaks, and performing a complete functional check free of charge to the customer. Maintenance programs are also available for customer-owned compactors for an additional charge.

Collection Vehicles

TDS will provide a modern, well maintained fleet, sufficient to fulfill all RFP requirements. Depending on the service options chosen by the City, TDS will provide up to 12 rear-load or automated side-load trucks for single family residential services and up to 6 front-load trucks and 4 roll-off trucks for commercial services. All trucks will be manned by 1 driver except for rear-load trucks which require 2 people, 1 driver and 1 helper.

Routine maintenance will be performed at a TDS maintenance facility in San Angelo. Backup vehicles will be available locally as well as from other TDS facilities. TDS has a strict policy regarding fleet maintenance. In addition to any original equipment manufacturer and Department of Transportation requirements, TDS also completes preventive maintenance at a 150 hour interval. An "A-PM" is completed every 150 hours and a "B-PM" is complete every 450 hours. An "A-PM" consist of lubrication of the chassis and moving parts plus a complete inspection and a "B-PM" includes everything on a "A-pm" and a Lube, Filter and Oil change. We also complete annual inspections as require by State and Federal regulations.

TDS has a policy to wash all collection vehicles not less than once a week.



Front-load truck



Rearload truck



Automated Side-load truck



Roll-off truck with self-contained compactor

On Board Computer Technology

TDS utilizes on board computer technology on all route vehicles. The TDS system provides data and reports in order for the TDS Operations and Customer Care departments to provide service verification or respond to customer questions and requests. This information is available in real-time depending on cellular coverage. Drivers have the ability to document blocked and/or skipped carts or containers with date and time stamped and geocoded pictures showing the reason for the missed stop.

Features	Benefits
GPS Monitoring and mapping	Knowing truck location throughout the day as well as service verification
Reporting	Customer and Route Report Information
Dispatching	Real time work order dispatching
Container Information	Container Sizes and locations

Quality Control

TDS adheres to strict and unsurpassed customer service standards. TDS's service standards are designed to be measurable and reportable through the industry's latest routing technology. As described above, TDS has an onboard computer system and routing software that tracks numerous variables including location of collection vehicles and driver activity. Lastly, TDS trains and employs experienced, customer-minded drivers and supervisors that are committed to delivering superior service.

Personnel

TDS has written operational policies and procedures in place as well as an official employee handbook articulating expectations of TDS employees, including conduct requirements, basic standards of professionalism, and other personnel policies. These policies are discussed and emphasized in new employee orientations, performance reviews and as deemed necessary. Additionally, TDS provides and administers ongoing training to managers and supervisors to ensure that personnel are qualified and proficient in their jobs. Physical exams, drug screens, and rigorous background checks, including motor vehicle and criminal records, are conducted as part of the selection process for new employees.

Prior to starting work in the field, new employees are required to attend a comprehensive safety training program covering all safety policies, rules and regulations of the Company, as well as State and Federal requirements. They are then assigned to work with trainers and selected employees for on-the-job training (OJT) in order to assure consistent performance and service. For collection personnel, this OJT includes documented road tests, training on proper use of equipment, safety measures, instructions on TDS performance standards and requirements, contract requirements and responsibilities, and training on route layout and scheduling. Customer service personnel are trained on proper use of telephones and other equipment, software programs, service requirements and contracts, good communication skills, effective completion of transactions, customer satisfaction, and performance standards. OJT time is variable depending upon the particular job assignment and experience/skills of the new employee.

TDS has scheduled performance reviews to ensure continued proficiency, and conducts random drug and alcohol tests. The Company often promotes from within so outstanding performers have opportunities for advancement. TDS provides a 401K matching program as a financial incentive for good performers to stay with the company, and has annual company picnics and Christmas parties for employees to promote loyalty and retention. Site managers conduct various employee motivational programs, such as driver/employee appreciation lunches.

TDS provides training to manage risks and minimize many of the common accidents experienced by other trash service providers. All collection employees and drivers are required to attend monthly operating and safety meetings, and supervisors have "tailgate" meetings to review performance standards, service issues, concerns, and reminders. Safety officers and supervisors perform unannounced individual road observations of operation and communicate results to drivers for compliance, training and improvement.

Training sessions are held with employees, including collection crews, to review contract and performance requirements. Customer service representatives, managers, and operational managers/supervisors, attend weekly meetings to review contract requirements, operational and safety

concerns, and customer service issues. Employee skills are upgraded with TDS-provided on-the-job-training in the use of computers and new technology.

Residential Service Performance Standards

TDS's commitment to excellence has led to the development of performance standards for our collection and disposal services and our employees. These standards involve management and employees in the continuous improvement of the services TDS provides. They include a combination of quality and management tools aimed at improving service and reducing wasteful practices.

Our performance standards rely on broad benchmarks to gauge the overall progress of service quality. They were developed to deliver clean, safe, consistent, reliable, convenient services; provide for respectful, friendly, responsive communications with customers; and protect the environment. TDS does not only include these performance service standards in our proposal but incorporates these standards into municipal contracts.

- Residential carts shall be replaced within five (5) feet of customer's placement without obstructing traffic or damaging landscaping.
- TDS will make all reasonable efforts to collect waste regardless of barriers (i.e. blocked streets) except when the safety and health of TDS employees or the public is placed in danger.
- TDS will make every effort to maintain a consistent route schedule.
- TDS will not leave loose refuse, which during collection may fall in the streets or yards of the residents, and we will make every reasonable effort to keep the community clean and free of litter.
- TDS will not provide collection service one-half (1/2) hour prior to or one (1) hour after dismissal on a scheduled school date on streets directly adjacent to school campuses.
- TDS will maintain a 24 hour-per-day, 7 day-per-week voice mail system to handle customer communications beyond regular business hours.
- In the event of equipment breakdowns, TDS will notify the City if the service will be delayed or rescheduled for another pick-up day.

These performance standards are very important to the quality of TDS's service. They also define what is expected of TDS employees.

Safety Program

Safety and accident prevention is a company-wide priority. TDS employs full-time safety officers who are responsible for administering a rigorous safety & training program, and ensuring the Company operates in a safe manner. TDS installs back-up alarms on all route trucks. Additionally, TDS has the

ability to monitor vehicle speed and driver activity through the onboard computer system audits. Route observations are also routine tasks for supervisors.

TDS emphasizes the two important features of good risk management practice: training and compliance. TDS's commitment to training and compliance results in a sound operation that is *"Noticeably Different and Noticeably Better"*.

- **Best Practices** – TDS actively seeks better ways to improve its service delivery system. By identifying best industry practices and technologies and using them as benchmarks, TDS strives to outpace other companies in continually improving its operations. One example of TDS's proactive efforts includes the implementation of an onboard computer system in the TDS fleet to provide timely status of fleet operation. The system provides unique and timely knowledge of current fleet status and feedback for continuous training and compliance improvement. A second example includes TDS's voluntary participation in the State of Texas Occupational Safety and Health Consultation program. This program includes onsite inspection of facilities and safety practices and has documented TDS's record of strong risk management practices.
- **Employee Training** – TDS provides full-time Safety Officers with support from seasoned operational supervisors who are involved with the hiring, training and continuing education of our drivers and staff. Drivers are screened through safety drug tests, background checks and interviews prior to hiring to assure a workforce comprised of professional quality drivers. TDS requires that its drivers attend monthly safety meetings to manage risks and to minimize many of the common accidents experienced by other refuse service providers.
- **Record Keeping** – TDS adheres to all Federal and State Department of Transportation rules and regulations. Compliance is monitored through an extensive record keeping system that extends in detail to the individual driver. Individual driver records are reviewed to assure adherence to hours of service regulations and TDS policies.
- **Insurance** – TDS annually reviews the type and the amount of insurance needed to adequately protect the Company and customers. TDS is insured by an AM Best "A" rated established and reputable carrier. These insurance companies specialize in insuring businesses like TDS and also provide safety specialists for periodic training as requested. Underwriters are invited to personally view the operations and act as consultants to make sure that TDS implements sound risk management practices.
- **Communication** – TDS recognizes that open communication regarding safety issues has many benefits. TDS operates a full time customer care call center where customers can call with safety concerns. Concerns raised by customers are reported to safety officers and driver supervisors, who follow up with individual drivers to ensure concerns are addressed. This communication makes TDS *"Noticeably Different and Noticeably Better"* in preventing potential problems, complaints or disputes.
- **Emergency Response** – TDS has a 24-hour operation so that emergencies can be handled immediately. Company safety specialists are on call to respond to these emergencies. In the event that an emergency arises that requires specialized equipment that TDS does not possess, the Company has vendor contacts that can be immediately dispatched to the emergency site.

- Safety Plans for the San Angelo facility will include:
 - Emergency Action Plan
 - Fire Prevention Plan
 - Personal Protective Equipment (PPE) Plan
 - Hazardous Communication Plan
 - Spill Prevention Control & Countermeasure (SPCC) Plan
 - Lockout Tag-out Plan
 - Respiratory Protection Plan
 - Truck Fueling Instructions
 - Non-permitted Confined Space
 - Exposure Control Plan
 - Hearing Conservation Plan

Dress Code

Employees are required to wear TDS provided uniforms in the proper manner. Office employees are expected to arrive for work dressed in professional business casual attire, according to the dress code policy designated for the employee's department. All employees must maintain an appearance that is neat, clean, and appropriate to TDS's standards. All TDS employees are issued and wear identification badges, which have their names and pictures on them.

TDS uniforms for collection personnel have the company name on them and include high visibility reflective shirts, safety vests and steel-toed boots. Rain suits and winter jackets are provided for inclement weather.

Public Education and Outreach

Over the past several years, TDS has strengthened its public education plan in order to provide customers better information about available services, including curbside recycling and composting. TDS proposes to employ in San Angelo the successful techniques it has developed for similar cities. These techniques are designed and proven to promote better understanding of services and reduce questions, problems, and difficulties experienced by residents and businesses. Experience has shown that customers who have detailed information readily available are more likely to properly set out materials for recycling.

The initial public education program provided by TDS will include an information packet delivered to each individual resident of the City of San Angelo, which contains information about service days, trash limits, acceptable recycling materials, bulk trash limit information and contact information for any additional questions. This information will be attached to carts when they are delivered.

If customers set out unacceptable items for pickup, notification tags will be left attached to the cart. These tags will provide the reason the items were unacceptable and options for proper disposal. Commercial customers will be contacted by a TDS team member to resolve any problems with recyclable materials. TDS has extensive information about recycling services on the company website

(www.texasdisposal.com). For example, information about residential single stream recycling can be viewed on www.texasdisposal.com/recycling.

TDS has a very active social media presence on sites such as Facebook, Twitter, Pinterest and LinkedIn. The social media channels give TDS a forum to interact with customers including sharing relevant, local information and answering questions, which gives the Company an opportunity to get to know the community better. TDS also runs contests on Company pages to promote recycling. A contest that is currently running encourages school-age kids to video or photograph a creative way to recycle. Individual and group winners will be chosen and winners will receive prizes such as a party for the classroom or funds for classroom supplies.

Customer Service

TDS adheres to strict and unsurpassed customer service standards. Service standards are designed to be measurable and reportable through the industry's latest routing technology. The Company's onboard computer system tracks numerous variables including vehicle location, driver activity and customer conditions. Lastly, TDS employs experienced, customer-minded representatives, drivers, and supervisors who are committed to delivering superior service.

TDS currently has offices in San Angelo, located in the Acme Iron and Metal facility at 720 N Buchanan. TDS has the financial capacity and plans to build a dedicated facility that will support a regional operation that will service San Angelo and the surrounding communities. Our dedicated facility will include offices, truck parking, fueling, equipment, and container maintenance. The exact location and size of this facility will depend on whether TDS is awarded the San Angelo contract.

The local San Angelo office will be open Monday through Friday from 8:00 am to 5:00 pm and will be fully supported by the TDS customer care office located at the corporate site. TDS prefers customers have the ability to talk to a "live person" when they contact the TDS offices. A call distribution system efficiently routes calls to an available customer care representative who can assist the caller directly, or a caller can opt to leave a message and expect a return call on the same day, if the message is received before 4:00 PM. TDS customers have access to a staff of trained and dedicated individuals who can address any type of question or concern they may encounter. Whether it is a billing question, request for an extra pick-up, change in service level, or just a clarification on what is recyclable and compostable, the TDS customer care call center is available to assist customers from 7:00 AM to 5:30 PM five days per week.

Complaint Resolution Procedures

Should a customer have a complaint about services, TDS customer care reps always listen to the customer completely to determine the need or concern so it can be properly addressed. The customer care reps are trained and have all the information and tools needed to make an informed decision and help assist the customer on the first call. For example,

- When a customer calls in regarding an alleged missed collection, reps will enter a work request to have the next available driver provide the service. Having a local presence in San Angelo will allow us to address service issues within one business day, possibly within the same day.
- If the same customer contacts TDS with a second alleged miss at the same location, a rep will enter the work request and further research the account with assistance of the customer and

TDS technology. The rep tries to determine if there are any physical barriers limiting the drivers from collecting, such as placement of the carts or neighboring construction, or if the customer set their materials out late. Truck information can be accessed to determine what time the driver was at the location. Service information and access issues are provided to the customer.

- The customer care reps share information with their immediate supervisor along with the driver supervisor, so the issue can be addressed as appropriate. TDS always wants to resolve the issue and prevent it from reoccurring at the same location or any other location.

TDS believes in continuous improvement in services. Staff is trained on our performance standards and expectations for excellent, friendly, customer service. Employees listen to customers for ideas that can help improve service delivery. Service quality is monitored by such methods as surveying customers, daily debriefing of drivers, supervisor and manager observations, and other appropriate techniques. TDS continually builds from existing service plans to provide a better quality service for customers and for the communities we serve, in keeping with the TDS motto *"Noticeably Different, Noticeably Better"*

Management Team and Key Personnel

Management Team

TDS is owned by Bob and Jim Gregory. Tom Mistler serves as the Chief Operating Officer/Chief Financial Officer. Members of the management team supporting this RFP response are Suzanne Zarling, Director of Operations; Rick Fraumann, Director of Sales; Sarah Smith, Director of Customer Experience and Harold Graves, Director of Maintenance. Biographies of all TDS directors are included in this section.

Bob Gregory, President and CEO



Bob Gregory serves as Chairman, President and Principal Owner for Texas Disposal Systems, Inc., Texas Disposal Systems Landfill, Inc., Texas Landfill Management, LLC, Texas Organic Products and Garden-Ville. He began the collection of solid waste in 1977 and he and his brother Jim incorporated TDS in January of 1978. At the time, the brothers had three generations of experience in the scrap-metal processing industry and the collective dream to build a company that would be respected within the community and the industry.

Through innovative ideas in landfill management and a desire to be the industry leader in customer service and environmentally safe practices, TDS has become the largest independently-owned solid waste collection, recycling/composting and disposal company in central Texas, and one of the largest in the nation.

Bob also owns Acme Iron and Metal, Inc. a full-service scrap metal processing facility. Acme Iron and Metal is located in San Angelo, Texas.

Bob graduated from Central High School in San Angelo, Texas (1970) and holds a Bachelor's degree in Business from the University of Texas at Austin (1974). He served as a member of the state's Municipal Solid Waste Management and Resource Recovery Advisory Council from 1989 to 2007 and as its president for the last seven years. Bob has also served as chairman of the Texas Chapter of the National

Solid Wastes Management Association (NSWMA) from 1991 to 2003 and has served on the board of directors of the Capital Area Council of the Boy Scouts of America. In 2008, Bob was appointed by Governor Rick Perry to the Texas (and Vermont) Low Level Radioactive Waste Disposal Compact Commission and served until September 2011.

The NSWMA honored Bob as the Member of the Year in 2000. He also received a Certificate of Appreciation from the Texas Water Commission (TWC) in recognition for his contribution to protect human health and the environment and his efforts towards developing municipal solid waste landfill regulations for the TWC in 1993. He served as chairman of the two statewide committees that oversaw the development of federally mandated landfill management regulations.

In 2010 Bob was inducted into the Environmental Industries Association (EIA) Hall of Fame, which is for industry leaders who over the course of more than 20 years have made significant contributions to the industry and their community.

The Capital Area Council of the Boy Scouts of America honored Bob with the Distinguished Citizen of the Year award which spotlights persons who have gone above and beyond to serve in leadership positions, and give back to a broad range of people in our community. Bob has also received the Boy Scouts of America Silver Beaver award for exemplary service.

Bob has lived in Austin since 1971. He and his wife, the former Kay Rogers, of San Angelo, Texas, have been married since 1974 and have four children and four grandchildren. Their sons, Paul and Adam and son-in-law Brandon Smitheal are actively involved in TDS business operations and the San Angelo TDS operations.

Jim Gregory, Vice President and Secretary



Jim Gregory serves as Co-Owner, Vice President and Secretary of Texas Disposal Systems, Inc., Texas Disposal Systems Landfill, Inc., Texas Landfill Management, LLC, Texas Organic Products and Garden-Ville, which has six retail stores in San Antonio, Austin, Georgetown, San Marcos and Victoria

Jim oversees the daily operations and management of the TDS landfill and the ranching operation. He also works alongside the TDS operations division and Garden-Ville. He enjoys interacting with employees and always makes himself available to assist in troubleshooting, process analysis and other issues of daily operations. Jim works to ensure that TDS is a leader in the community and industry by motivating employees to excel and provide outstanding performance and service.

After graduation from Central High School in San Angelo, Texas, Jim joined in the management of the family business, Acme Iron & Metal Company, which he helped build into a respected full-service scrap metal processing facility. He moved to Austin in 1977 to help build Texas Disposal Systems.

Jim holds a current Texas Commission on Environmental Quality Class A Solid Waste Technician Certification. He is an active member of the Environmental Industries Association, Detachable Container Association, National Solid Wastes Management Association, Texas Deer Association and Safari Club International and serves on the board of the Exotic Wildlife Association.

Jim is also very involved in local church work throughout the Austin area, and he has received numerous awards for service and community involvement. In 2010 the Capital Area Council of the Boy Scouts of America honored him with the Distinguished Citizen of the Year award.

Tom Mistler, Chief Operating Officer/Chief Financial Officer



Tom Mistler serves as Chief Operating Officer and Chief Financial Officer for Texas Disposal Systems, Inc., responsible for all operational and administrative functions of TDS and its affiliated companies.

Tom has over 30 years of experience in a variety of industries including construction, high tech, start-up, Big Four accounting and manufacturing environments. Prior to joining TDS, he was CFO of American Constructors and finance director at Dell Computer. A Certified Public Accountant, Tom serves on the Board of Directors for the Boys & Girls Clubs of the Austin Area.

A native of Kentucky, Tom received his bachelor's degree in accounting from the University of Kentucky and his M.B.A. from Xavier University in Cincinnati, Ohio.

Gary Newton, J.D., General Counsel



Gary Newton has served as general counsel for Texas Disposal Systems, Inc. since 1996. In this position, he represents TDS and its related entities on general legal issues with a special emphasis on legislative and regulatory affairs.

Prior to TDS, Gary was in private practice with Texas-based law firm Jenkins & Gilchrist, P.C. He has extensive experience in advising clients in areas of environmental, legislative and regulatory law. He also worked on legislative affairs regarding solid waste and environmental issues for the Texas House of Representatives' Environmental Affairs Committee from 1985 to 1992.

Gary received a B.B.A. in accounting with honors from Southwest Texas State University and a law degree from the University of Houston. He is a member of both the State of Texas and American Bar Associations. Gary is also an associate member of the Texas Legislative Sportsman's Caucus, which promotes outdoor activities such as hunting and fishing. He actively participates in the National Solid Wastes Management Association (NSWMA) programs.

Rick Fraumann, Director of Sales



As Director of Sales, Rick Fraumann brings a "hands on" approach and a wealth of experience to the Texas Disposal Systems sales team, with 25 years of experience in the waste industry. He is skilled in managing top producing sales teams in all facets of the industry and has a successful track record working with hauling operations as well as landfill sales. Rick has trained numerous sales representatives and managers throughout Texas and the Southeast, in various selling skills courses. A native of Atlanta, Georgia, Rick attended Asbury College in Wilmore, Kentucky.

Suzanne Zarling, Director of Operations



As Director of Operations, Suzanne is responsible for leading the operations of Texas Disposal Systems and affiliated companies.

Suzanne has over 20 years of leadership and management experience, including over 10 years at the executive level, much of which involved leading utility operations, strategic resource planning, resource development and environmental stewardship. Before moving into management Suzanne practiced law in Texas in both private firms and state government, advising clients in the areas of oil and gas, real estate and administrative law.

Suzanne holds a Bachelor of Arts degree from Texas A&M University and a Juris Doctor from University of Oklahoma.

Sarah Smith, Director of Customer Experience



Sarah Smith serves as the Customer Experience Director for Texas Disposal Systems. In this role, she leads departments that interact with our customers on a daily basis, including Customer Care, Billing, Accounts Receivables, Credit and Collections, as well as Account Processing teams. It is her priority that every one of our customers receives the highest quality customer service.

Sarah has over ten years of experience managing customer service and billing offices in both private and governmental entities. She has always had a strong desire to work for companies whose focus was one of environmental stewardship and community leadership, which is what drew her to Texas Disposal Systems.

Sarah completed her Bachelors of Science in Biology at Sul Ross University.

Harold Graves, Director of Maintenance



Harold Graves serves as Director of Maintenance responsible for all equipment both on and off road as well as facilities spanning TDS and its affiliated companies. Harold has over 20 years of experience in all facets of transportation management with a strong focus on maintenance and logistics.

Prior to joining TDS, he served in leadership roles for domestic and international companies in the transportation realm spanning cryogenics, refuse, and over-the-road, embracing the opportunity to work in nearly all of the lower 48 states in various roles and companies.

As the trucking industry moves towards sustainable products and processes, Harold has seized the opportunity for change by rolling out Compressed Natural Gas powered fleets in both Florida and Indiana since 2010. Understanding the value of asset utilization and route efficiency, he has proven to be a good steward of the community by implementing sound environmental practices. He continues to explore different processes to reduce the environmental impact and carbon footprint in the transportation industry.

A native of Western Pennsylvania, Harold grew up with heavy equipment and trucks as the son of a logging contractor and entrepreneur where he developed his strong work ethic. Harold holds a Bachelor's degree in Quantitative Business Analysis and a minor in Logistics from Penn State University.

Paul Gregory, Director of Organics and Recycling



Paul Gregory serves as Director of Organics and Recycling for Texas Disposal Systems, Inc., managing diverted waste streams by segregating and processing them into finished commodities. The operating entities that handle these commodities include Texas Landfill Management, Acme Iron & Metal, TDS Commodities, Garden-Ville, Texas Organic Products, TDS Eco-Depot Transfer Station and TDS Green Builder Services. After receiving a B.B.A. from St. Edwards University, Paul moved to San Angelo to serve as the third-generation manager of family-owned Acme Iron & Metal, Co; he still manages all scrap metal purchases, processing and sales companywide. In 2006, Paul moved back to Austin where he

managed the TDS-operated Georgetown Transfer Station and hauling company. In 2007, after securing a five-year contract renewal with the city of Georgetown, Paul transitioned to Garden-Ville and Texas Organic Products, which he oversees today. He adheres to a simple business model, which has served the company well for decades, of treating waste streams as resources and sustainably diverting and managing waste materials to their highest and best use.

Mike Allgeier, Director of Information Technologies



Texas Disposal Systems' Director of Information Technology Mike Allgeier was one of the original drafting team members for the North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection (CIP) Standards for the electric grids for North America. He has served as vice president and president of the local Information Systems Security Association (ISSA) chapter as well as organizer and presenter at security conferences.

Mike served in the Army and Army National Guard for a total of 16 years as an intelligence analyst and special agent. He was awarded the Purple Heart and received the Army Commendation Medal with Valor device for actions in combat. He received a B.A. in homeland security from the American Military University and is a graduate of the Joint Counterintelligence Training Academy. He also holds several IT and security certifications including CISSP, CISM, CRISC and ITIL v3.

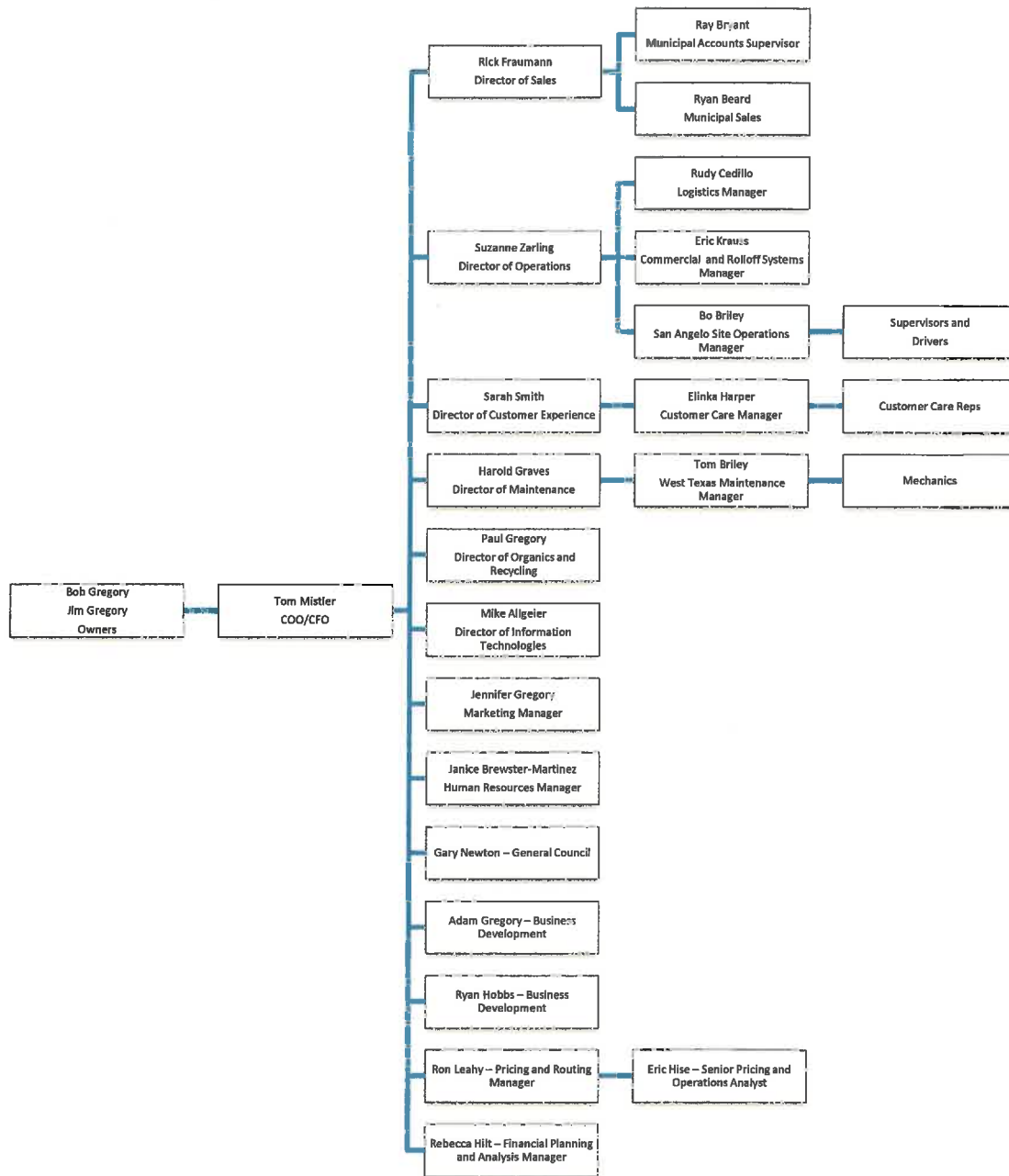
Key Personnel

The San Angelo Site Operations Manager is Bo Briley, and he will be the TDS representative authorized to make decisions and act on its behalf and will be accessible to the City twenty-four hours a day. Tom Briley is the West Texas Maintenance Manager. Key personnel for the ongoing daily operations related to this contract are as follows:

- Bo Briley - Operations Site Manager
- Gary Newton – General Council
- Adam Gregory – Business Development
- Ryan Hobbs – Business Development
- Ron Leahy – Pricing and Routing Manager
- Eric Hise – Senior Pricing and Operations Analyst
- Rebecca Hilt – Financial Planning and Analysis Manager
- Tom Briley - West Texas Maintenance Manager
- Rudy Cedillo - Logistics Manager
- Eric Krauss - Commercial and Roll-off Systems Manager
- Elinka Harper - Customer Care Manager
- Jennifer Gregory - Marketing Manager
- Ray Bryant - Municipal Accounts Supervisor
- Ryan Beard - Municipal Sales
- Janice Brewster Martinez - Human Resources Manager

It is expected that initially each of these key personnel will spend a minimum of 25 percent of their time on issues related to this contract. Other personnel will be hired or assigned upon award of the contract. Further detail on qualifications, experience and job descriptions of key personnel are available upon request.

Organizational Chart – Key Personnel



Transition Plan

TDS has extensive experience in transitioning municipalities through changes in service providers. TDS has successfully transitioned communities from another provider to TDS, including Georgetown, San Marcos, Sealy, Giddings, and numerous other cities throughout Texas. Additionally, TDS has experience changing routes and service days in a way that maximizes efficiency, impacts the least number of residents, and communicates effectively with all who are impacted.

TDS has also transitioned numerous communities to a successful recycling program in the last three years. We have found that a successful transition and launch of single stream requires planning, coordination, and education of all parties involved. Our experience is that residents often embrace the recycling opportunity if they understand how to do it and why it is important. We have proven to be a valuable partner for many communities in this launch, most recently Georgetown, Kyle, Buda, Giddings, Sealy, San Marcos, and others.

TDS proposes to employ the successful transition strategies developed as a result of these experiences. These include a seasoned transition team, proven informational materials and notices for customers, an aggressive schedule, and effective public notice methods.

Oversight of the San Angelo Transition Team will be performed by TDS Directors Suzanne Zarling, Sarah Smith, Rick Fraumann, Harold Graves and Paul Gregory. These members of the TDS Management Team are responsible respectively for the departments of Operations, Customer Experience, Sales, Maintenance and Recycling.

Transition Team members will be the Directors listed above plus:

- Bo Briley – San Angelo Operations Manager
- Elinka Harper – Customer care Manager
- Jennifer Gregory – Marketing Manager
- Ron Leahy – Routing
- Mike Chandler – Purchasing Manager
- Eric Krauss – Commercial and Roll-off Systems Manager
- Rudy Cedillo – Logistics Manager
- Ryan Beard – Municipal Sales
- Jay Howard – Residential and Commercial sales
- Ray Bryant – Residential and Commercial sales
- Bob Wilson – Residential and Commercial sales
- Jen Sembera – Recycling coordinator

The TDS approach for the transition will be as follows:

- Establish communication procedures with the City;
- Coordinate with current providers of refuse and recycling to make a smooth transition
- Set schedules for delivery of new carts and changes in service days
- Establish procedures for new account setup, complaint resolution and billing
- Coordinate the dissemination of information to residents and businesses

General public information will be provided through local media outlets as well as direct communication from TDS. TDS will prepare a service packet for the residential customers to be attached to each cart for delivery. The packet will contain information on when to put the cart out, what day their service will be provided, what types of service will be provided, guidelines for recycling and bulk waste collection (if applicable), and phone numbers for questions, complaints and comments. If desired, we can make a TDS team member available at the City offices to help support City staff with transition.

TDS staff will conduct presentations and provide information through community organizations and arrangements with local businesses. Examples of the new carts, along with personnel to give information and answer questions, will be brought to businesses and City locations. TDS proposes a City/TDS joint press conference be held to encourage media distribution of information about the changes. Information will be prepared to post on the TDS and City websites.

TDS employees will begin making personal contact with each business account after notification of the contract award to verify account information. The businesses will be informed about their service options in order to receive the right size service for their business. Educational and informational materials will also be provided to commercial customers upon setup of services.

The week prior to the start of service, all carts and front-load containers will be delivered to residents and businesses. During the transition period any materials set out in non TDS containers will be collected and the City will be notified that the old container needs to be removed by the previous service provider.

The tentative proposed schedule for the transition is:

- May – award of contract
- May – place orders for equipment and containers
- June – notify and contact commercial customers concerning service changes
- June – prepare informational and educational materials
- July – distribute information about changes to press and public
- July – delivery of equipment and containers to TDS
- July – notify residential customers concerning service changes
- July – (last week) – deliver new containers to customers
- July – (last week) – notify residential customers concerning service changes
- August 1st – effective date for commencement of services and changes

Disaster Debris Removal

TDS is equipped to partner with the City of San Angelo on disaster recovery efforts. TDS operates the first full-service, integrated disposal facility ever permitted by the State of Texas, and can provide a broad spectrum of individual or turnkey services for hauling, disposal, recycling, composting, and storage services even for items that are difficult to dispose of safely.

Most recently TDS was called upon to assist in the cleanup efforts after the major flood event of Onion Creek in Travis County in October, 2013. TDS was able to provide immediate response to requested services at the required level needed, while City of Austin and Travis County current contract haulers could not meet the demand. TDS assisted with the 2011 Bastrop fire cleanup effort, which is still ongoing. Also, after the major central Texas flooding in the fall of 1998, TDS provided waste transportation and collection for Comal County and provided turnkey cleanup service for the City of Cuero and the Lower Colorado River Authority, at a significant cost savings.

TDS will be available to provide emergency assistance to the City of San Angelo with:

- Transportation and pickup of materials from fires, floods, tornadoes
- On-site, weather proof temporary storage
- Vehicle salvaging
- Storage services
- Other hauling and disposal needs

Additional Experience Information

Founded in 1977 by two brothers from San Angelo, Bob and Jim Gregory, TDS has become the largest independently owned solid waste disposal, recycling, and composting company in Central Texas and one of the largest in the State. The company has progressively grown in size and depth of service over the years. Beginning in the construction waste market with roll-off trucks in the late 1970's, the company has added new services and expanded its area of service and now has a long history of serving individuals, businesses, communities and school districts in Texas.

TDS has demonstrated its ability to help customers manage solid waste and recycling in an environmentally sound manner and has a consistent record of diverting materials from landfills. TDS has been recycling for more than 30 years. TDS works with businesses of all sizes, governmental entities, educational facilities, homeowner's associations, area municipal utility districts, and individual property owners, to help with their waste and disposal needs.

TDS buys local and supports local organizations. TDS and the Gregory family have a proven record for keeping their word and honoring their commitments. The Gregorys are from San Angelo, have remained committed to the success of San Angelo, and would be committed to meeting the service requirements of the City.

Exceptions to RFP Requirements

1. See proposed price sheets
2. TDS will retain ownership of carts it purchased for this contract.
3. Bulk waste pickup will have a maximum of 3 cubic yards per pickup and will be conducted on on-call basis. Additional volumes will be charged an additional fee.
4. Rate modifications will be negotiated.
5. TDS has provided alternative proposals that are designed to provide the City with more options that are not confined to RFP requirements. The following exceptions apply only to the Alternative proposals.
 - Bulk waste pickup is provided bi-annually with a maximum of 3 cubic yards per pickup and will be conducted on on-call basis. Additional volumes will be charged an additional fee.
 - Rates are based on the purchase of carts by the City.
 - Curbside recycling will be provided every other week.
 - Environmental insurance aggregate is reduced to \$10,000,000.
 - Rate structure does not include a performance bond or letter of credit. One can be negotiated.

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F2. Commercial Collections Services**SEE PRICING WORKSHEETS - TAB 14 PAGES 1 -8**

The following charts may be used for proposals regarding COMMERCIAL COLLECTIONS SERVICES.
 Attach additional pages as necessary, but adhere as closely to this format as possible.

Commercial Solid Waste Collections	Collections Contract without Landfill Contract			Collections Contract with Landfill Contract		
	1x per Week	2x per Week	3x per Week	1x per Week	2x per Week	3x per Week
90-100 gal						
2 CY						
4 CY						
6 CY						
8 CY						
Additional Pick-Up	(each)	-----	-----	(each)	-----	-----

Pricing for Commercial Recycling Collection and Disposal Services

Commercial Recycling Collections	Collections Contract without Landfill Contract			Collections Contract with Landfill Contract		
	1x per Week	2x per Week	3x per Week	1x per Week	2x per Week	3x per Week
90-100 gal						
2 CY						
4 CY						
6 CY						
8 CY						
Additional Pick-Up	(each)	-----	-----	(each)	-----	-----

Roll-Off Container Delivery, Pick-up, and Disposal	Fee per Container
20 Cubic Yard Roll-Off	\$ (per pull)
30 Cubic Yard Roll-Off	\$ (per pull)
40 Cubic Yard Roll-Off	\$ (per pull)

Texas Disposal Systems Proposed Rates for City of San Angelo - Options 1 and 2

		RFP Options		TDS Carts		Bulky Pickup	LF Rate	Insurance & LOC	\$ MONTH
				Trash	Recy				
Option 1 -20 - before recycling	Trash 2X/week, w/TDS cart; no recycling			Y	N	Quarterly	\$20/Ton	Per RFP	\$13.12
Option 2 -20 - before recycling	Trash 1X/week, w/TDS cart; no recycling			Y	N	Quarterly	\$20/Ton	Per RFP	\$10.23
Option 1 -20 - with recycling	Trash 2X/week, w/TDS cart; recycle 1X/week, w/TDS cart			Y	Y	Quarterly	\$20/Ton	Per RFP	\$20.24
Option 2 -20 - with recycling	Trash 1X/week, w/TDS cart; recycle 1X/week, w/TDS cart			Y	Y	Quarterly	\$20/Ton	Per RFP	\$17.35
Option 1 -25 - before recycling	Trash 2X/week, w/TDS cart; no recycling			Y	N	Quarterly	\$25/Ton	Per RFP	\$13.57
Option 2 -25 - before recycling	Trash 1X/week, w/TDS cart; no recycling			Y	N	Quarterly	\$25/Ton	Per RFP	\$10.68
Option 1 -25 - with recycling	Trash 2X/week, w/TDS cart; recycle 1X/week, w/TDS cart			Y	Y	Quarterly	\$25/Ton	Per RFP	\$20.64
Option 2 -25 - with recycling	Trash 1X/week, w/TDS cart; recycle 1X/week, w/TDS cart			Y	Y	Quarterly	\$25/Ton	Per RFP	\$17.75
Option 1 -30 - before recycling	Trash 2X/week, w/TDS cart; no recycling			Y	N	Quarterly	\$30/Ton	Per RFP	\$14.02
Option 2 -30 - before recycling	Trash 1X/week, w/TDS cart; no recycling			Y	N	Quarterly	\$30/Ton	Per RFP	\$11.13
Option 1 -30 - with recycling	Trash 2X/week, w/TDS cart; recycle 1X/week, w/TDS cart			Y	Y	Quarterly	\$30/Ton	Per RFP	\$21.04
Option 2 -30 - with recycling	Trash 1X/week, w/TDS cart; recycle 1X/week, w/TDS cart			Y	Y	Quarterly	\$30/Ton	Per RFP	\$18.15

Y - Yes; N - No; LOC - Letter of Credit

Notes:

1. Texas Disposal Systems will retain ownership of carts it purchased for this contract.
2. Bulk pickup 1X/per quarter, on call by appointment, maximum 3 CY per pickup.
3. Landfill Rate - Texas Disposal Systems to pay either \$20.00, \$25.00, or \$30.00 per ton to the City for all waste collected within the city limits and disposed of in a City controlled landfill, regardless as to who operates the landfill.
4. Method of future rate modifications will be agreed to in contract negotiations.

Texas Disposal Systems Proposed Rates for City of San Angelo - Alternatives A through E

Alternative Proposals		Carts		Bulky Pickup	LF Rate	Insurance & LOC	\$ MONTH
		Trash	Recy				
A20	Trash 2X week, no cart; no recycling	N	N	Bi-Annual	\$20/Ton		\$10.97
B20	Trash 2X week, w/City cart; no recycling	Y	N	Bi-Annual	\$20/Ton		\$12.04
C20	Trash 1X week, w/City cart; no recycling	Y	N	Bi-Annual	\$20/Ton	Modified as in Notes 1-4	\$10.30
D20	Trash 1X week, w/City cart; recycle EOW, w/City cart	Y	Y	Bi-Annual	\$20/Ton		\$12.63
E20	Trash 1X week, no cart; recycle EOW, w/City cart	N	Y	Bi-Annual	\$20/Ton		\$12.74
A25	Trash 2X week, no cart; no recycling	N	N	Bi-Annual	\$25/Ton		\$11.42
B25	Trash 2X week, w/City cart; no recycling	Y	N	Bi-Annual	\$25/Ton		\$12.49
C25	Trash 1X week, w/City cart; no recycling	Y	N	Bi-Annual	\$25/Ton	Modified as in Notes 1-4	\$10.75
D25	Trash 1X week, w/City cart; recycle EOW, w/City cart	Y	Y	Bi-Annual	\$25/Ton		\$13.03
E25	Trash 1X week, no cart; recycle EOW, w/City cart	N	Y	Bi-Annual	\$25/Ton		\$13.14
A30	Trash 2X week, no cart; no recycling	N	N	Bi-Annual	\$30/Ton		\$11.87
B30	Trash 2X week, w/City cart; no recycling	Y	N	Bi-Annual	\$30/Ton		\$12.94
C30	Trash 1X week, w/City cart; no recycling	Y	N	Bi-Annual	\$30/Ton	Modified as in Notes 1-4	\$11.20
D30	Trash 1X week, w/City cart; recycle EOW, w/City cart	Y	Y	Bi-Annual	\$30/Ton		\$13.43
E30	Trash 1X week, no cart; recycle EOW, w/City cart	N	Y	Bi-Annual	\$30/Ton		\$13.54

Y - Yes; N - No; EOW - Every other week; LOC - Letter of Credit

Notes:

1. City to retain ownership of all carts it purchases for this contract, or add \$.65 per month/cart for Texas Disposal Systems to purchase and retain ownership of carts.
2. Bulk pickup will be 2X/per year, on call by appointment, maximum 3 CY per pickup.
3. Modify environmental insurance provision from \$20 million to \$10 million annual aggregate.
4. Eliminate RFP Letter of Credit or performance bond provision - no fees added for this requirement.
5. Modifications for Insurance and Letter of Credit alternatives above - savings range from \$.27 to \$.38 per home per month.
6. Landfill Rate - TDS to pay either \$20.00, \$25.00, or \$30.00 per ton to the City for all waste collected within the city limits and disposed of in a City controlled landfill, regardless as to who operates the landfill.
7. Method of future rate modifications will be agreed to in contract negotiations.

F2. Commercial Collection Services - RFP20 - \$20/Ton disposal rate paid to City

Container Size		\$ Month - Without Landfill Contract						\$ Month - With Landfill Contract Options 1 or 2*						Extra			
		EOW	1X	2X	3X	4X	5X	6X	Pickup	EOW	1X	2X	3X	4X	5X	6X	Pickup
Cart 90-100 gal			22	43	-	-	-	-	15		22	43	-	-	-	-	15
2 CY			56	102	-	-	-	-	45		56	102	-	-	-	-	45
3 CY			75	142	-	-	-	-	45		75	142	-	-	-	-	45
4 CY			88	161	234	307	382	-	50		88	161	234	307	382	-	50
6 CY			113	200	288	375	461	549	60		113	200	288	375	461	549	60
8 CY			132	238	344	450	555	662	70		132	238	344	450	555	662	70

Additional Services: Casters 19 Lock bars 19

Commercial Recycling and Processing Services

Container Size		\$ Month - Without Landfill Contract						Extra Pickup	\$ Month - With Landfill Contract						Extra Pickup	
		EOW	1X	2X	3X	4X	5X		6X	EOW	1X	2X	3X	4X		5X
Cart 90-100 gal**		10	21	-	-	-	-	-	10	21	-	-	-	-	-	10
2 CY		39	-	-	-	-	-	-	39	-	-	-	-	-	-	45
3 CY		53	70	-	-	-	-	-	53	70	-	-	-	-	-	45
4 CY		61	82	-	-	-	-	-	61	82	-	-	-	-	-	50
6 CY		80	107	190	-	-	-	-	80	107	190	-	-	-	-	60
8 CY		94	125	227	-	-	-	-	94	125	227	-	-	-	-	70

Additional Services: Casters 19 Lock bars 19

Roll-off Container Service

Container Size	Rates Without Landfill Contract			Rates With Landfill Contract Options 1 or 2*		
	Delivery	Pickup	Disposal	Delivery	Pickup	Disposal
20 CY OT	115	140	20/Ton	115	140	20/Ton
30 CY OT	115	140	20/Ton	115	140	20/Ton
40 CY OT	115	161	20/Ton	115	161	20/Ton
20 to 29 CY CP	115	155	20/Ton	115	155	20/Ton
30 to 39 CY CP	115	161	20/Ton	115	161	20/Ton
40 & over CY CP	115	161	20/Ton	115	161	20/Ton

TDS will retain ownership of all carts purchased and used in this contract

All prices above - Net to contractor

* Pricing applies to TDS Landfill proposal options #1 and #2. The pricing is subject to negotiation to the mutual benefit of the both the City and TDS should the City select TDS Landfill proposal #3.

** Available upon initiation of residential single stream recycling service

Landfill rates paid by TDS to the City - \$20/Ton

F2. Commercial Collection Services - RFP25 - \$25/Ton disposal rate paid to City

Container Size		\$ Month - Without Landfill Contract						Extra Pickup		\$ Month - With Landfill Contract Options 1 or 2*						Extra Pickup	
		EOW	1X	2X	3X	4X	5X			6X	EOW	1X	2X	3X	4X		
Cart 90-100 gal			22	45	-	-	-	-		22	45	-	-	-	-	15	
2 CY			58	105	-	-	-	-		58	105	-	-	-	-	45	
3 CY			78	147	-	-	-	-		78	147	-	-	-	-	45	
4 CY			91	168	245	322	400	-		91	168	245	322	400	-	50	
6 CY			118	211	304	397	489	582		118	211	304	397	489	582	60	
8 CY			139	252	366	479	592	706		139	252	366	479	592	706	70	

Additional Services: Casters 19 Lock bars 19

Commercial Recycling and Processing Services

Commercial Recycling and Processing Services																
Container Size		\$ Month - Without Landfill Contract						\$ Month - With Landfill Contract						Extra Pickup		
		EOW	1X	2X	3X	4X	5X	6X	EOW	1X	2X	3X	4X			5X
Cart 90-100 gal**		10	21	-	-	-	-	-	10	21	-	-	-	-	-	10
2 CY		39	-	-	-	-	-	-	45	-	-	-	-	-	-	45
3 CY		53	70	-	-	-	-	-	45	70	-	-	-	-	-	45
4 CY		61	82	-	-	-	-	-	50	82	-	-	-	-	-	50
6 CY		80	107	190	-	-	-	-	60	107	190	-	-	-	-	60
8 CY		94	125	227	-	-	-	-	70	125	227	-	-	-	-	70

Additional Services: Casters 19 Lock bars 19

Roll-off Container Service

Container Size	Rates Without Landfill Contract			Rates With Landfill Contract Options 1 or 2*		
	Delivery	Pickup	Disposal	Delivery	Pickup	Disposal
20 CY OT	115	140	25/Ton	115	140	25/Ton
30 CY OT	115	140	25/Ton	115	140	25/Ton
40 CY OT	115	161	25/Ton	115	161	25/Ton
20 to 29 CY CP	115	155	25/Ton	115	155	25/Ton
30 to 39 CY CP	115	161	25/Ton	115	161	25/Ton
40 & over CY CP	115	161	25/Ton	115	161	25/Ton

TDS will retain ownership of all carts purchased and used in this contract

All prices above - Net to contractor

* Pricing applies to TDS Landfill proposal options #1 and #2. The pricing is subject to negotiation to the mutual benefit of the both the City and TDS should the City select TDS Landfill proposal #3.

** Available upon initiation of residential single stream recycling service

Landfill rates paid by TDS to the City - \$25/Ton

F2. Commercial Collection Services - RFP30 - \$30/Ton disposal rate paid to City

Container Size	\$ Month - Without Landfill Contract							Extra Pickup	\$ Month - With Landfill Contract Options 1 or 2*							Extra Pickup
	EOW	1X	2X	3X	4X	5X	6X		EOW	1X	2X	3X	4X	5X	6X	
Cart 90-100 gal		22	47	-	-	-	-	45		22	47	-	-	-	-	
2 CY		60	108	-	-	-	-	45		60	108	-	-	-	-	
3 CY		81	152	-	-	-	-	45		81	152	-	-	-	-	
4 CY		94	175	256	337	418	-	50		94	175	256	337	418	-	
6 CY		123	222	320	419	517	615	60		123	222	320	419	517	615	
8 CY		146	266	388	508	629	750	70		146	266	388	508	629	750	

Additional Services: Casters 19 Lock bars 19

Commercial Recycling and Processing Services

Container Size	\$ Month - Without Landfill Contract						Extra Pickup	\$ Month - With Landfill Contract*						Extra Pickup	
	EOW	1X	2X	3X	4X	5X		6X	EOW	1X	2X	3X	4X		5X
Cart 90-100 gal**	10	21	-	-	-	-	-	10	21	-	-	-	-	-	10
2 CY	39	-	-	-	-	-	-	45	39	-	-	-	-	-	45
3 CY	53	70	-	-	-	-	-	45	53	70	-	-	-	-	45
4 CY	61	82	-	-	-	-	-	50	61	82	-	-	-	-	50
6 CY	80	107	190	-	-	-	-	60	80	107	190	-	-	-	60
8 CY	94	125	227	-	-	-	-	70	94	125	227	-	-	-	70

Additional Services: Casters 19 Lock bars 19

Roll-off Container Service

Container Size	Rates Without Landfill Contract			Rates With Landfill Contract Options 1 or 2*		
	Delivery	Pickup	Disposal	Delivery	Pickup	Disposal
20 CY OT	115	140	30/Ton	115	140	30/Ton
30 CY OT	115	140	30/Ton	115	140	30/Ton
40 CY OT	115	161	30/Ton	115	161	30/Ton
20 to 29 CY CP	115	155	30/Ton	115	155	30/Ton
30 to 39 CY CP	115	161	30/Ton	115	161	30/Ton
40 & over CY CP	115	161	30/Ton	115	161	30/Ton

TDS will retain ownership of all carts purchased and used in this contract

All prices above - Net to contractor

* Pricing applies to TDS Landfill proposal options #1 and #2. The pricing is subject to negotiation to the mutual benefit of the both the City and TDS should the City select TDS Landfill proposal #3.

** Available upon initiation of residential single stream recycling service

Landfill rates paid by TDS to the City - \$30/Ton

F2. Commercial Collection Services - Alt20 - \$20/Ton disposal rate paid to City

Container Size	\$ Month - Without Landfill Contract							Extra Pickup	\$ Month - With Landfill Contract Options 1 or 2*							Extra Pickup
	EOW	1X	2X	3X	4X	5X	6X		EOW	1X	2X	3X	4X	5X	6X	
Cart 90-100 gal		20	42	-	-	-	-	15		20	42	-	-	-	-	15
2 CY		54	99					45		54	99					45
3 CY		73	138					45		73	138					45
4 CY		85	156	227	298	370		50		85	156	227	298	370		50
6 CY		110	194	279	363	447	532	60		110	194	279	363	447	532	60
8 CY		128	231	333	436	538	641	70		128	231	333	436	538	641	70

Additional Services: Casters 19 Lock bars 19

Commercial Recycling and Processing Services

Container Size		\$ Month - Without Landfill Contract						Extra Pickup	\$ Month - With Landfill Contract						Extra Pickup	
		EOW	1X	2X	3X	4X	5X		6X	EOW	1X	2X	3X	4X		5X
Cart 90-100 gal**		9	19	-	-	-	-	-	9	19	-	-	-	-	-	10
2 CY		38	-	-	-	-	-	-	38	-	-	-	-	-	-	45
3 CY		51	68	-	-	-	-	-	51	68	-	-	-	-	-	45
4 CY		59	79	-	-	-	-	-	59	79	-	-	-	-	-	50
6 CY		78	104	185	-	-	-	-	78	104	185	-	-	-	-	60
8 CY		91	122	221	-	-	-	-	91	122	221	-	-	-	-	70

Additional Services: Casters 19 Lock bars 19

Roll-off Container Service

Container Size	Rates Without Landfill Contract			Rates With Landfill Contract Options 1 or 2*		
	Delivery	Pickup	Disposal	Delivery	Pickup	Disposal
20 CY OT	112	137	20/Ton	112	137	20/Ton
30 CY OT	112	137	20/Ton	112	137	20/Ton
40 CY OT	112	157	20/Ton	112	157	20/Ton
20 to 29 CY CP	112	152	20/Ton	112	152	20/Ton
30 to 39 CY CP	112	157	20/Ton	112	157	20/Ton
40 & over CY CP	112	157	20/Ton	112	157	20/Ton

TDS will retain ownership of all carts purchased and used in this contract

All prices above - Net to contractor

* Pricing applies to TDS Landfill proposal options #1 and #2. The pricing is subject to negotiation to the mutual benefit of the both the City and TDS should the City select TDS Landfill proposal #3.

** Available upon initiation of residential single stream recycling service

Landfill rates paid by TDS to the City - \$20/Ton

F2. Commercial Collection Services -Alt25 - \$25/Ton disposal rate paid to City

Container Size	\$ Month - Without Landfill Contract						Extra Pickup	\$ Month - With Landfill Contract Options 1 or 2*						Extra Pickup
	EOW	1X	2X	3X	4X	5X	6X	EOW	1X	2X	3X	4X	5X	6X
Cart 90-100 gal		20	42	-	-	-	-		20	42	-	-	-	-
2 CY		56	102						56	102				
3 CY		76	143						76	143				
4 CY		88	163	238	313	388			88	163	238	313	388	
6 CY		115	205	295	385	475	565		115	205	295	385	475	565
8 CY		135	245	355	465	575	685		135	245	355	465	575	685

Additional Services: Casters 19 Lock bars 19

Commercial Recycling and Processing Services

Container Size	\$ Month - Without Landfill Contract						Extra Pickup	\$ Month - With Landfill Contract						Extra Pickup
	EOW	1X	2X	3X	4X	5X	6X	EOW	1X	2X	3X	4X	5X	6X
Cart 90-100 gal**	9	19	-	-	-	-	-	9	19	-	-	-	-	-
2 CY	38	-	-	-	-	-	-	38	-	-	-	-	-	-
3 CY	51	68	-	-	-	-	-	51	68	-	-	-	-	-
4 CY	59	79	-	-	-	-	-	59	79	-	-	-	-	-
6 CY	78	104	185	-	-	-	-	78	104	185	-	-	-	-
8 CY	91	122	221	-	-	-	-	91	122	221	-	-	-	-

Additional Services: Casters 19 Lock bars 19

Roll-off Container Service

Container Size	Rates Without Landfill Contract			Rates With Landfill Contract Options 1 or 2*		
	Delivery	Pickup	Disposal	Delivery	Pickup	Disposal
20 CY OT	112	137	25/Ton	112	137	25/Ton
30 CY OT	112	137	25/Ton	112	137	25/Ton
40 CY OT	112	157	25/Ton	112	157	25/Ton
20 to 29 CY CP	112	152	25/Ton	112	152	25/Ton
30 to 39 CY CP	112	157	25/Ton	112	157	25/Ton
40 & over CY CP	112	157	25/Ton	112	157	25/Ton

TDS will retain ownership of all carts purchased and used in this contract

All prices above - Net to contractor

* Pricing applies to TDS Landfill proposal options #1 and #2. The pricing is subject to negotiation to the mutual benefit of the both the City and TDS should the City select TDS Landfill proposal #3.

** Available upon initiation of residential single stream recycling service

Landfill rates paid by TDS to the City - \$25/Ton

F2. Commercial Collection Services- All \$30/Ton disposal rate paid to City

Container Size	\$ Month - Without Landfill Contract							Extra Pickup	\$ Month - With Landfill Contract Options 1 or 2*							Extra Pickup
	EOW	1X	2X	3X	4X	5X	6X		EOW	1X	2X	3X	4X	5X	6X	
Cart 90-100 gal		20	42	-	-	-	-	45		20	42	-	-	-	-	
2 CY		58	105					45		58	105					
3 CY		79	148					45		79	148					
4 CY		91	170	249	328	406		50		91	170	249	328	406		
6 CY		120	216	311	407	503	598	60		120	216	311	407	503	598	
8 CY		142	259	377	494	612	729	70		142	259	377	494	612	729	

Additional Services: Casters 19 Lock bars 19

Commercial Recycling and Processing Services

Container Size		\$ Month - Without Landfill Contract						\$ Month - With Landfill Contract						Extra			
		EOW	1X	2X	3X	4X	5X	6X	Pickup	EOW	1X	2X	3X	4X	5X	6X	Pickup
Cart 90-100 gal**		9	19	-	-	-	-	-	10	9	19	-	-	-	-	-	10
2 CY		38	-	-	-	-	-	-	45	38	-	-	-	-	-	-	45
3 CY		51	68	-	-	-	-	-	45	51	68	-	-	-	-	-	45
4 CY		59	79	-	-	-	-	-	50	59	79	-	-	-	-	-	50
6 CY		78	104	185	-	-	-	-	60	78	104	185	-	-	-	-	60
8 CY		91	122	221	-	-	-	-	70	91	122	221	-	-	-	-	70

Additional Services: Casters 19 Lock bars 19

Roll-off Container Service

Container Size	Rates Without Landfill Contract			Rates With Landfill Contract Options 1 or 2*		
	Delivery	Pickup	Disposal	Delivery	Pickup	Disposal
20 CY OT	112	137	30/Ton	112	137	30/Ton
30 CY OT	112	137	30/Ton	112	137	30/Ton
40 CY OT	112	157	30/Ton	112	157	30/Ton
20 to 29 CY CP	112	152	30/Ton	112	152	30/Ton
30 to 39 CY CP	112	157	30/Ton	112	157	30/Ton
40 & over CY CP	112	157	30/Ton	112	157	30/Ton

TDS will retain ownership of all carts purchased and used in this contract

All prices above - Net to contractor

* Pricing applies to TDS Landfill proposal options #1 and #2. The pricing is subject to negotiation to the mutual benefit of the both the City and TDS should the City select TDS Landfill proposal #3.

** Available upon initiation of residential single stream recycling service

Landfill rates paid by TDS to the City - \$30/Ton

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March 18, 2014

Mr. Roger Banks, Division Manager
Purchasing Division
Mr. Shane Kelton, Director of Operations
San Angelo Operations Department
City of San Angelo
72 West College Avenue
San Angelo, Texas 76903

RE: RFP No: OP-01-14/Lease and Operation of Sanitary Landfill And Waste Collection Services

Gentlemen:

Insurance Network of Texas provides various insurance programs for Texas Disposal Systems. We have reviewed all insurance and bonding requirements specified in the City of San Angelo's RFP No: OP-01-14/Lease and Operation of Sanitary Landfill and Waste Collection Services, Appendix C, Section C9 and Appendix D, Section D13. Based on these requirements, the company's excellent past performance, and the current insurance and bonding programs available to them, we anticipate no problems in fulfilling all such requirements as outlined in the bid.

We have also provided a current insurance certificate with all required coverages as part of the bid response.

Please feel free to contact me with any questions at 512-304-8901.

Sincerely,

Ashley Mutschink

Ashley Mutschink
Vice President
Insurance Network of Texas
143 East Austin
Giddings, TX 78942

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/07/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Network of Texas 143 East Austin Giddings, TX 78942-3299 979 542-3666	CONTACT NAME:	
	PHONE (A/C No, Ext): 979 542-3666	FAX (A/C No):
INSURED Texas Disposal Systems Inc. P.O. Box 17126 Austin, TX 78760	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Liberty Mutual Insurance Compan	NAIC # 23043
	INSURER B: Liberty Insurance Underwriters	19917
	INSURER C: Liberty Insurance Corporation	42404
	INSURER D: Admiral Insurance Company	24856
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI/PD Ded:15000 GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC		TB2Z91437831034	01/15/2014	01/15/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		AS6Z91437831024	01/15/2014	01/15/2015	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$10000 <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE		100003103304	01/15/2014	01/15/2015	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	WA2Z9D437831014	01/15/2014	01/15/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
D	Pollu Limit Deductible		FEIEIL1239701	01/15/2014	01/15/2015	\$20,000,000 \$25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

As per policy provision, Certificate Holder is listed as additional insured in regard to the auto and general liability policies as provided by additional insured endorsement. A waiver of subrogation endorsement is provided to the Certificate Holder in regard to the auto, general liability and workers compensation policies as per policy provision.
General liability, auto and workers compensation policies include(s) a 30 Days Notice of Cancellation (See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

City of San Angelo City's Risk Manager and Solid Waste Administrator at City Hall 72 West College Ave. San Angelo, TX 76903	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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DESCRIPTIONS (Continued from Page 1)

endorsement providing 30 days advance notice if policy is canceled by the company other than for nonpayment of premium, or direct cancellation by named insured as per policy provision.

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March 3, 2014

Mr. Roger Banks, Division Manager, Purchasing Division
Mr. Shane Kelton, Director of Operations, San Angelo Operations Department
The City of San Angelo
72 West College Avenue
San Angelo, TX 76903

RE: RFP No: 0P-01-14 for the Lease and Operations of Sanitary Landfill and Waste Collections Services.

Gentlemen:

Union Bank provides various credit facilities to Texas Disposal Systems ("TDS"), which include, among other things, bond financing, working capital and acquisition financing, financing of transfer stations and material recovery facilities and term loans for equipment and various other capital. TDS is a highly valued client of Union Bank. We have reviewed the company's annual financial statements for the past five years and understand the company's operations and industry. TDS has met all of their financial obligations to Union Bank and the bondholders.

We have also reviewed the capital and financial requirements to fulfill the contract for the Lease and Operations of Sanitary Landfill and Waste Collections Services. Included in the financial requirements are those requirements included in Appendix C, Section C8 of the Lease and Operations of Sanitary Landfill and Appendix D, Section D12 of the Waste Collections Services. Based on these requirements, the company's excellent past financial performance and the current credit facilities available to them, TDS has more than sufficient financial capacity to provide the proposed services for both the Lease and Operations of Sanitary Landfill as well as the proposed services for the Waste Collection Services including any start-up capital items and letter of credit requirements as well as ensure the necessary cash flow to provide smooth and effective operations on an ongoing basis. I am not aware of any impediments that would prevent TDS from fulfilling any reasonable financial requirements under requirements for the Lease and Operations of Sanitary Landfill/Waste Collections Services contract.

Please feel free to contact me with any questions at (909) 244-1261.

Sincerely,

A handwritten signature in black ink, appearing to read 'Myra Jett', written over a horizontal line.

Myra Jett
Senior Vice President

Southern California Commercial Banking
3536 Concourse, Suite 300
Ontario, CA 91764

Tel. 909 244 1260
Fax 909 980 5195

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**CONTRACT FOR MUNICIPAL SOLID WASTE COLLECTION
AND DISPOSAL SERVICES**

City of San Angelo
72 West College Avenue
San Angelo, TX 76903

Presented By
TEXAS DISPOSAL SYSTEMS, INC.

Texas Disposal Systems, Inc.
P.O. Box 17126
Austin, TX 78760

Contact Name: Ryan Beard
Phone: (512) 421-1300
Fax: (512) 421-1325
Toll Free: (800) 375-8375
contractadmin@texasdisposal.com

Effective
August 1, 2014

CONTRACT

(To Provide Refuse Collection and Disposal Services)

THIS CONTRACT is made and entered into on this 17th day of March 2014, by and between City of San Angelo, of the State of Texas, (hereinafter called "the City"), and Texas Disposal Systems, Inc. (hereinafter called the "Contractor").

WITNESSETH:

In consideration of the following mutual agreements and covenants, it is understood and agreed by and between the parties hereto as follows:

1. EXCLUSIVE AGREEMENT

The Contractor is hereby granted the sole exclusive and mandatory contract, license and privilege to use the public streets, alleys, and thoroughfares within the territorial jurisdiction of the City to collect and dispose of solid waste, refuse and provide recycling services; and shall furnish all personnel, labor, equipment, trucks, landfill, and all other items necessary to provide Residential, Commercial, and Roll Off refuse and recycling collection, removal, and disposal services, as specified, and to perform all work called for and described in the Contract Documents.

2. MANDATORY SERVICE

It is understood the Texas Health and Safety Code Chapter 364 requires the City to assure that solid waste management services are provided to all persons in its jurisdiction. The Contractor shall provide services pursuant to this Agreement in compliance with that code and this Agreement.

The Contractor shall provide not less than acceptable waste collection service to each occupied Residential unit, utilizing acceptable containers, in the contract area. Each occupied Residential and Commercial unit within the Contract Area shall be automatically enrolled and shall become a subscriber to this service upon enactment of this Contract. The City shall, when requested, furnish the Contractor with a list of all City customers located within the Contract Area.

3. CONTRACT

No amendment to this Contract shall be made except upon the written consent of the parties, which consents shall not be unreasonably withheld. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.

4. DEFINITIONS

- 4.1. Acceptable Container - Carts or containers provided by Contractor.
- 4.2. Acceptable Waste - Waste produced at a residential or commercial unit other than extraordinary amounts produced due to natural or man-made disasters, but not including hazardous waste, dead animals in excess of ten (10) pounds, construction waste, ammunition, hot ashes, tires, stumps, or other waste prohibited in a municipal solid waste landfill.
- 4.3. Building Material - Any material such as lumber, brick, plaster, gutters or other substances accumulated as a result of repairs or additions to existing buildings, construction or new buildings or demolition of existing structures.
- 4.4. Bulky Waste - Waste that includes sofas, stoves, refrigerators, water tanks, washing machines, dryers, air conditioners, sinks, toilets, furniture, and other waste materials and appliances (certified where applicable as Freon-free), and like items other than construction debris, or stable matter with weight or volumes greater than allowed in approved bins or containers, as the case may be or that can be loaded by one (1) person at curbside.
- 4.5. Bundle - Tree, shrub and brush trimmings or newspaper and magazines securely tied together, forming an easily handled package not exceeding four (4) feet in length or forty (40) pounds in weight.
- 4.6. Carts - A wheeled receptacle with a capacity not to exceed ninety-six (96) gallon capacity, constructed of plastic, metal and/or fiberglass, designed for automated or semi-automated solid waste collection systems, and having a lid. Carts will be provided with ownership retained by the Contractor, as required in the Contract.
- 4.7. City - City of San Angelo.
- 4.8. Collection - The practice of picking up municipal solid waste and/or recycling and/or composting using carts and containers with vehicles of safe design and construction and hauling municipal solid waste from the collection site to properly permitted or authorized facility and operated disposal site(s) as determined by the Texas Commission on Environmental Quality (TCEQ).

- 4.9. Commercial Unit – All commercial building or premises, locations or business, including retail, wholesale, institutional, religious, governmental or other non-residential establishment, at which Garbage, Trash, Refuse or Recycling may be generated, having a physical address within the corporate limits of the City, all customers and accounts that are not a Residential Unit.
- 4.10. Complaint – A communication from a customer to Contractor or City concerning service, which upon investigation by the Contractor or the City, is determined to be correct and shall prompt some action by the Contractor or the City.
- 4.11. Compost – Green waste, yard waste, soiled paper, tree limbs no longer than four (4) feet.
- 4.12. Construction Debris Waste – Waste building materials resulting from construction, remodeling, repair or demolition operations.
- 4.13. Container (Commercial/Industrial) – A metal receptacle designed to be lifted and emptied mechanically for use only at Commercial and Industrial Unit(s). No less than two (2) cubic yards nor larger than eight (8) cubic yards.
- 4.14. Contract- means the agreement for Solid Waste Collection and Disposal Services.
- 4.15. Contract area – The area within the bounds of the City at the date of this Contract and any other areas that may be incorporated by the City during the term of this contract.
- 4.16. Contract Year – Each 365 or 366 day period commencing upon the Effective Date of the Contract and each anniversary thereafter and ending the penultimate day prior to the next such anniversary date.
- 4.17. Contractor – Texas Disposal Systems, Inc.
- 4.18. Customer – An occupant of a Residential Unit or Commercial Unit who generates refuse or a commercial or industrial occupant who is disposing of construction debris or solid waste through our roll off services.
- 4.19. Dead Animals – Animals or portions thereof equal to or greater than ten (10) pounds, that have expired from any cause, except those slaughtered or killed for human use and properly placed in an acceptable container, must be disposed of separate from this Contract.
- 4.20. Disposal Site – A refuse depository licensed and permitted by the State of Texas selected for use by the Contractor, including, but not limited to Texas Type I sanitary landfills, transfer stations, incinerators, and waste processing/separation

centers licensed, permitted or approved to receive for processing of final disposal of refuse, garbage, bulky waste, brush construction debris, dead animals and commercial and institutional waste by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits and approvals.

- 4.21. Effective Date – The date the Contract comes into effect pursuant to Section 8.
- 4.22. Garbage – Any and all dead animals of less than ten (10) pounds in weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable, and/or other matter) that results from the preparation, processing, consumption, dealing, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal, vegetable or other matter (including, but not by way of limitation), that are used in tin cans and other food containers; and all putrescible or easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents); except (in all cases) any matter included in the definition of Bulky Waste, Construction Debris, Dead Animals, Hazardous Waste, Rubbish or Stable Matter.
- 4.23. Hazardous Waste – Any chemical, compound, mixture, substance or article which is designated by the Environmental Protection Agency (EPA) under the Resource Conservation Recovery Act, 42 U.S.C. Section 1002, et. seq., or regulated as toxic under the Toxic Substances Control Act, 15 U.S.C.A. Section 2601 et. seq., regulations promulgated there under or appropriate agency of the State, to be hazardous or toxic as defined by, or pursuant to Federal or State Law. This term does not include small quantity generator of household hazardous waste, as defined by Federal or State Law. For purposes of this Contract, the term Hazardous Waste shall also include motor oil, gasoline, paint and paint cans.
- 4.24. Household Waste – Any waste produced at a Residential Unit, such as paper, sweepings, dust rags, bottles, cans or other Garbage, which is usually attendant to housekeeping, but not including Hazardous Waste.
- 4.25. Industrial Refuse – All non-hazardous waste materials that are a by-product or generated from a manufacturing process.
- 4.26. Industrial Unit – All manufacturing customers whose solid wastes are (i) compacted by industrial sized compactors and stored in containers for hauling to the disposal site, or (ii) processed by dust collection units containers for hauling to the disposal site or (iii) collected for disposal with a frequency of more than one (1) time per week, having a physical address in the City and not a Residential or Commercial Unit.
- 4.27. Landfill – A sanitary landfill of the Contractor's selection permitted by the State of Texas, that is operated and maintained in compliance with the applicable law.

- 4.28. Municipal Solid Waste – All non-hazardous (as defined by CERCLA and other acceptable laws) and non-special (See Special Waste definition) solid waste material including unwanted or discarded waste material in a solid or semi-solid waste, including but not limited to, Garbage, Ashes, Refuse, Rubbish, Waste Materials, Brush, Paper, Plastic, Yard Waste (including brush, tree trimmings, and Christmas trees), discarded Appliances, Home Furniture, and furnishings, provided that such material must be of type and consistency to be lawfully accepted at the Sanitary Landfill under the applicable federal, state and local laws, regulations and permits governing each.
- 4.29. Multi-Family Dwelling – Any single structure occupied by more than two families.
- 4.30. Premises – All public and private establishments including individual residences, all multi-family dwellings, residential care facilities, hospitals, schools, businesses, other buildings or vacant lots.
- 4.31. Producer – An occupant of a Commercial, Industrial or Residential unit that generates Refuse.
- 4.32. Recycling – “Recycle” or “Recycling” means any process or portion thereof by which solid waste or materials which would otherwise become solid waste are separated, collected and processed for reuse or returned to use or to market in the form of raw materials or products. Includes green, brown, and clear glass; plastics #1-#7 (except Styrofoam); aluminum, tin, and steel cans; and newsprint, cardboard, boxboard, junk mail, magazines, and office paper.
- 4.33. Refuse – This term shall refer to all garbage, rubbish, bulky waste, construction debris and stable matter generated by residential, commercial or industrial units, unless the context otherwise requires.
- 4.34. Residential Refuse – All garbage and rubbish generated by a producer at a Residential Unit.
- 4.35. Residential Unit – A dwelling within the Contract Area occupied by a person or a group of persons comprised of not more than two (2) families. A Residential Unit shall be deemed occupied when either water or domestic light and power services are being supplied thereto.
- 4.36. Roll Off – A unit varying in capacity between twenty (20) and forty (40) cubic yards which is used for collecting, storing, transporting building materials, business trash, industrial waste, refuse or yard waste. Not all container sizes are available in all service areas. The unit may be of the open or closed variety. The distinguishing feature of the detachable container is that it is picked up by a

specialty equipped truck and becomes an integral part of transporting the waste material to the final disposal site.

- 4.37. Rubbish – Non-putrescible solid waste (excluding ashes), consisting of both combustible and noncombustible waste materials; combustible rubbish includes all waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, excelsior, furniture, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible pulp, ashes, cinders, floor sweepings, and other products, such as are used for packaging, or wrapping; noncombustible rubbish includes crockery, glass, tin cans, aluminum cans, metal furniture, mineral or metallic substance.
- 4.38. Special Waste – Any waste material including but not limited to, waste discarded from a non-residential source from an industrial process (including process sludge); waste from a pollution control process (e.g., baghouse dust, treatment plant sludge, filter cake, sedimentation pond cleanout, etc.); waste container free liquids (free liquid wastes are those wastes which fail the paint filter test prescribed by the United States Environmental Protection Agency method 9095); residue and debris from the cleanup of a spill of any size of a chemical substance or commercial product or a waste listed previously or afterward; contaminated residuals from the cleanup of a facility generating, storing, treating, recycling, or disposing chemical substances, commercial products, or waste listed herein; any waste which is non-hazardous as a result of treatment pursuant to RCRA Subtitle C; chemical-containing equipment removed from service, in which the chemical composition and concentration are unknown.
- 4.39. Stable Matter – All manure and other waste matter normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from keeping of animals, livestock or poultry.
- 4.40. Utility – A public service provided by a public or private company such as natural gas, electricity, telephone, cable television, storm and sanitary sewers and other, that are normally located in or above a public or private street or right-of-way. Utility does not include the public or private street. For the purpose of the Contract, a utility as defined above shall be located in or above the right-of-way in a manner that is consistent with governmental regulations and safe utility practices.
- 4.41. Yard Waste – Grass clippings, leaves, and brush and shrubbery trimmings.

5. SCOPE OF WORK

The work under this Contract shall consist of the items contained in this document, including all the supervision, material, equipment, labor and all other items necessary to complete said work in accordance with the Contract Documents.

6. TYPE OF COLLECTION

- 6.1 Refuse Pick up – Contractor shall provide curbside collection of garbage from Residential Units one (1) time per week with 96-gallon cart only and collection of Single Stream recycle materials picked up one (1) time per week with 96-gallon recycling carts.

Contractor will collect the cart only and its contents at curbside. Extra carts will be provided upon request at an additional fee and shall be billed directly to the Customer.

Contractor may decline to collect any Residential refuse not in cart.

The Contractor shall make special arrangements to provide special collection for those individuals with demonstrated disabilities requiring “at door collection”. Employees of the Contractor shall not be required to expose themselves to vicious animals in order to collect Refuse.

- 6.2 Bulky Pickup – Contractor shall provide quarterly curbside bulky or brush waste collection annually to each residential customer upon customer request. Additional collections would be available at a cost determined by the Contractor.

1. The Contractor is not required to pick up refrigerators unless written evidence is posted in clear view of refrigerator and all other applicable appliances that all Freon has been removed by a certified refrigeration technician.
2. Each collection will restrict the volume collected to three (3) cubic yards per Residential Unit.
3. Yard waste must be bundled and tied and cut into four (4) foot lengths not to exceed 40 pounds per bundle.

- 6.3 Recycle – The Contractor will provide recycling collection services to all residential customers within the City for the following:

1. Green, brown and clear glass
2. Plastics #1-7 (except #6- Styrofoam)
3. Aluminum, tin, and steel cans

4. Paper Products: newsprint, cardboard, boxboard, junk mail, magazines, and office paper.

Any other materials for which a recycling market may exist and which the parties hereto agree can be added to the recycling program.

The Contractor will be responsible for marketing the collection of recyclable materials. If a material cannot be effectively marketed for recycling, the Contractor may eliminate that product from this program. If additional materials can be added to the program the Contractor will notify the City.

- 6.4 Commercial Collection – The Contractor will establish commercial routes to service the Commercial customers within the City. The following container sizes will be offered: 96 gallon carts, 2 yard, 3 yard, 4 yard, 6 yard, and 8 yard containers. Commercial customers will determine the container size and frequency of pickups.
 - 6.5 Roll-Off Collection - The Contractor will offer Roll-off service for the City. The following container sizes will be offered: 20, 30, and 40 cubic yards.
 - 6.6 Hours of Operation – Collection of residential refuse shall be serviced from 7 am to 7 pm on the same day. Exceptions to collection hours shall be effected only upon the mutual agreement of the City and the Contractor, or when the Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances.
 - 6.7 Holidays – The following shall be holidays for purposes of this Contract:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day
- The Contractor may decide to observe any or all of the above mentioned holidays by suspension of collection service on the holiday. Should Contractor observe a holiday, Contractor may for the remainder of the calendar week provide Collection service to Customers within the same week, including Saturday if necessary.
- 6.8 Performance Standards – Performance goals shall be to enhance sanitary and aesthetic living conditions for City residents; protect the environment; deliver consistent, reliable, convenient, safe services; provide for respectful, friendly, responsive communications with customers; and to show a commitment to the community.

Performance standards shall include:

- a. Residential carts shall be replaced within five (5) feet of customer's placement without obstructing the driveway or damaging landscaping. Cart lids will be closed after servicing and the cart will be turned sideways so that the whole street is uniform wherever possible. (rear load service)
- b. The Contractor will make all reasonable efforts to collect waste and recycling regardless of barriers (i.e., blocked streets) except when the safety and health of Contractor's employees or the public is placed in danger.
- c. The Contractor will make every effort to maintain a consistent route schedule.
- d. The Contractor will not leave loose trash which, during collection, may fall in the streets or yards of the residents, and we will make every reasonable effort to keep the community clean and free of litter. (rear load service)
- e. Drivers will be expressly forbidden to use their emergency brake to stop a moving vehicle (a practice that has caused street damage in the past).
- f. The Contractor will not use vehicles that leak oil, hydraulic fluid or other substances, or present an unhygienic or unsafe appearance. If there should be a leak from a Contractor's truck, Contractor will clean up the spill within two (2) business days of notification.

Note: Operational standards listed above are based on rear-load service. The Contractor reserves the right to change the type of vehicle to service the City. The Contractor will notify the City in writing and performance standards will be adjusted based upon the capability of that type of vehicle.

- 6.9 Cart Delivery – Carts will be delivered within seven (7) days of an order for service. Damaged carts will be replaced within the same time frame. Removal of carts will occur the next service day after notice is received.

The customer is responsible for carts lost, stolen, damaged or destroyed by abuse at a cost of \$75 plus \$25 delivery fee.

- 6.10 Routes of Collection – The Contractor will establish collection routes. The Contractor may from time to time propose to the City for approval changes in routes or days of collection, which approval shall not be unreasonably withheld.

Upon City's approval of the proposed changes, the Contractor shall promptly give notice to the affected customers at the Contractor's expense.

- 6.11 Collection Equipment – The Contractor shall provide an adequate number of vehicles for regular collection services. All vehicles and other equipment shall be kept in good repair, appearance and in a sanitary condition at all times. Each vehicle shall have clearly visible on each side the identity of the Contractor.
- 6.12 Hauling – All refuse hauled by the Contractor shall be so contained, tied or enclosed that leaking, spilling or blowing are minimized.
- 6.13 Disposal – All refuse collected for disposal by the Contractor shall be hauled to a legally permitted disposal site. The charge for disposal shall be included in the rate set forth in the proposal for each customer serviced by the Contractor.

7. CUSTOMER RELATIONS

- 7.1 Office – The Contractor shall maintain an office or such other facilities through which he can be contacted. It shall be equipped with sufficient telephones and shall have a responsible person in charge from 8:00 am to 5:00 pm Monday through Friday. The telephone number of the office shall be prominently displayed on all of the Contractor's containers, carts, and trucks used in the City.
- 7.2 Point of Contact – Contact regarding legal issues shall be expressly between the Contractor and the City Manager or designee.
- 7.3 Reporting of new or cancelled accounts by City – The City Manager or designee shall via telefax or email provide the Contractor with a daily written list of any Customers who have initiated or terminated service according to the City records. The Contractor will notify the City of any customers that have requested initiation or termination of solid waste service and are not reflected on the written lists provided by the City.
- 7.4 Delinquent and Closed Accounts – The Contractor shall discontinue collection services for any customer as set forth in a written notice sent to it by the City. Upon further notification by the City, the Contractor will resume collection on the next regularly scheduled collection day. To the extent of the City's liability under applicable law and without waiving the City's governmental immunity, the City will indemnify and hold the Contractor harmless from any claims, suits, damages, liabilities or expenses resulting from the Contractor discontinuing service at any location at the direction of the City. Should the Customer be direct billed by the Contractor, the Contractor will set forth the amount of payment to be collected in accordance with the Contractor's nonpayment policy before reinstatement of services shall be initiated.

- 7.5 Auditing of Customers – On an as needed basis but at least annually, at a time mutually agreeable to the City and the Contractor, the Contractor will provide the City with billing audits which will compare units being billed versus units serviced to make certain that customer billing is accurate. When the Contractor identifies units that are being serviced and are not being billed, the Contractor will provide the addresses of the units to the City as well as the type of service being provided and the date such service began or ended. The City will have sixty (60) working days to verify the list and provide a response to the Contractor. The City may ask for an extension as necessary to complete the audit process. Units not being billed in error will be added to the billing. Units that should not be billed will be returned to the Contractor with the reason for not being added to the billing. Units not added will be removed from service.
- 7.6 Complaints – All complaints shall be made directly to the Contractor and shall be given prompt and courteous attention. In the case of alleged missed scheduled collections, the Contractor shall investigate and if such allegations are verified, the Contractor shall arrange for the collection of the Refuse not collected within two (2) business days after the complaint is received.

8. TERMS OF CONTRACT

- 8.1 Effective Date - This Contract and performance of such Contract shall begin on August 1, 2014. All annual rate adjustments will follow Attachment A.
- 8.2 Start Date - Services may begin as late as sixty (60) days after the date this Contract is signed by both parties, but not before the Effective Date, based on availability of containers and delivery.
- 8.3 Term of Contract – The Contract shall be for a ten (10) year period beginning upon the effective date of the Contract and ending ten (10) years thereafter. The initial term of the Contract shall automatically be extended for one (1) five (5) year term unless either party notifies the other party in writing, not less than one hundred twenty (120) days prior to the expiration of the initial term or of any successive renewal term, of its intentions to terminate this Contract. Any such written notice shall be served by certified or registered mail, return receipt requested.
- 8.4 Licenses and Taxes – The Contractor shall obtain all licenses and permits (other than the license and permit granted by the Contract) and promptly pay all taxes required by the City.
- 8.5 Compliance with Laws – The Contractor shall conduct operations under this contract in compliance with all applicable State and Federal regulations, including municipal ordinance

- 8.6 Indemnity – The Contractor will indemnify and save harmless the City, its officers, agents, servants and employees for and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, and attorney's fees, arising out of the Contractor's willful or negligent act or omission under this Contract, including Contractor's officers, agents, servants, and employees; provided, however, that this indemnity shall not apply to any claims, demands, damages, costs, expenses and attorney's fees arising out of the award of this Contract based upon any willful or negligent act or omission of the City, its officers, agents, servants and employees.
- 8.7 Non-Discrimination – The Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.
- 8.8 Transferability of Contract – No Assignment of the Contract or any right occurring under this Contract shall be made in whole or in part by the Contractor without the express written consent of the City. Such consent shall not be unreasonably withheld.
- 8.9 Ownership – Title to acceptable Garbage, Refuse, Recycle, and Dead Animals shall pass to the Contractor when placed in Contractor's collection vehicle, removed by the Contractor from a Container, or removed by Contractor from the Customer's premises, whichever last occurs.
- 8.10 Exclusions – This Contract shall not cover hazardous, toxic or radioactive wastes or substances as currently or in the future defined as such by applicable Federal, State or Local Laws or regulations; and shall not be interpreted to prevent the removal of trash or rubbish by the generator of such trash or rubbish. The Contractor may contract, but shall not be required, pursuant to this Contract, for hauling human waste, hazardous waste, auto parts, rocks, concrete, sand, gravel, or dirt; provided that the Contractor shall be responsible for and the owner of any such material the Contractor agrees to collect or haul. The Contractor will be responsible for billing and collecting for these services.
- 8.11 Performance Cancellation – In the event the City alleges the Contractor has failed to meet the Performance Standards as outlined in the Contract, the City shall provide written notice to the Contractor by certified letter outlining each deficiency and setting up a hearing to discuss the issues in front of the City Council. At the hearing, the City Council will advise the Contractor of each deficiency and place the Contractor on notice that it has a thirty (30) day cure period to correct these issues in the future. At the expiration of the cure period, a second hearing shall be held. If the Contractor has corrected the issues outlined during the thirty (30) day cure period, no action will be taken against the Contractor.

- 8.12 Contracting Parties – Any notice, demand, communication, or request required or permitted hereunder shall be in writing, except where otherwise herein designated by telephone, delivered in person or sent certified, return receipt requested, United States Mail, or by machine-confirmed facsimile followed by mailed copy, addressed set forth below:

If to the City: City of San Angelo
ATTN: City Manager
72 West College Ave
San Angelo, TX 76903

If to the Contractor: Texas Disposal Systems, Inc.
ATTN: Contract Administrator
P.O. Box 17126
Austin, TX 78760-7126
Email: contractadmin@texasdisposal.com

9. INSURANCE

The Contractor shall at all times during the Contract maintain in full force and effect General Liability, Worker's Compensation, Public Liability and Property Damage Insurance. All insurance shall be maintained with insurers licensed and approved to do an insurance business in the State of Texas. Before commencement of work hereunder, the Contractor agrees to furnish the City with Certificates of Insurance or other evidence satisfactory to the City to the effect that such insurance has been procured and is in force.

For the purpose of the Contract, the Contractor shall carry the following types of insurance in at least the limits specified below:

<u>Coverage</u>	<u>Limits of Liability</u>
General Liability	\$1,000,000 per occurrence
Personal and adv injury	\$1,000,000
General Aggregate	\$2,000,000
Automobile Liability	
Combined Single limit	\$2,000,000
Worker's Compensation	Statutory
Excess Liability	\$10,000,000 per occurrence

10. BASIS AND METHOD OF PAYMENT

10.1 RATES

The fees provided in Attachment A by the Contractor will establish pricing for the first ten (10) year(s) of the Contract. The fees charged by the City to its customers will be at the discretion of the City.

The refuse collection charges provided by Attachment A shall include all disposal, fuel, and related costs.

10.2 MODIFICATION TO RATES

Contractor rates to the City are listed in Attachment A.

In any renewal term, contract rates will continue to increase annually by the same percentage as indicated in the preceding ten (10) years, unless alternative rates are agreed to by both parties.

10.3 The Contractor may petition the City, and being subject to City approval, at any time for additional rate and price adjustments due to unusual changes in its cost of operations, such as revised laws, ordinances, or regulations; increases in the cost of doing business, such as but not limited to increases in fuel, insurance, etc.

10.4 The rates will be adjusted by the City's proportionate share of any changes in expenditures (whether capital or operational) required solely by Federal, State, or Local law, regulation, rule, ordinance, order, permit or permit condition that becomes effective after the Effective Date of this Contract, and that was not imposed as a penalty or sanction because of action or inaction of Contractor to comply with a legal requirement. The same shall exist for any fees, taxes or assessments imposed by Federal, State or Local government. The Contractor shall furnish the City with calculations showing the basis for any such adjustment at least sixty (60) days before implementation.

10.5 Contractor Billing to City – The Contractor shall bill the City for services rendered to each unit within ten (10) working days following the end of the month.

10.6 Payment by City to Contractor – The City shall pay the Contractor on or before the 30th day following the date of each bill. Such billing and payment shall be based on the rates and schedules set forth in the Contract Documents.

The Contractor shall be entitled to payment for services rendered to each unit irrespective of whether or not the City collects from the customer for such services. However, if services are required by law to be provided and for which

services the Contractor or the City cannot charge or collect, as in Bankruptcy proceedings, then the Contractor shall not be entitled to payment for such services rendered.

10.7 Late Payments – Payments after the 30th day will accrue interest as provided in Chapter 2251 of the Texas Government Code as amended.

10.8 City Fees – The Contractor shall collect a license, permit and franchise fee for the City equal to franchise fee amount of the monthly service rate for all units directly billed by the Contractor. The Contractor shall pay the franchise fee to the City.

11. NOTIFICATIONS

The City will provide the Contractor with direct contact information for each customer, including; mailing address, email address, and phone number for the purpose of providing notifications. Contact information provided by City will not be disclosed to any unrelated party for any purpose except as required by law and those directly related to the fulfillment of this Contract. The Contractor shall provide notice to each residential unit affected by route changes or holiday schedule changes. However, if the City opts not to provide Contractor with contact information as specified, Contractor will provide notice to City and City will notify each residential unit.

11.1 Route Changes – The Contractor shall give notice to the affected customers at the Contractor's expense.

11.2 Holiday Schedule Changes – The Contractor shall make the schedule available to the affected Customers when holidays will affect a scheduled collection day, if different than as outlined in Section 6.7.

12. MARKETING

The Contractor will provide the following materials to the City at its own expense upon the signing of the Contract.

1. A flyer to be attached to the Cart upon delivery to the Residential Units. Each flyer will include but will not be limited to the day of service, times for placement, service provided, and the recycle program (if applicable).
2. Any and all press releases to be mutually agreed upon by the Contractor and the City.

Any additional items requested by the City will be at the City's expense.

13. RIGHTS OF THE CONTRACTOR

The City, during the term of this Contract, shall not enter into any contract with a third party to obtain the services performed by the Contractor under this Contract and shall

not suffer or permit any other party to provide similar service within the territorial jurisdiction of the City. This Contract shall be exclusive and mandatory with the Contractor.

14. RIGHTS OF THE CITY

The City Council shall be entitled to establish the amounts to be billed by the City for the services to be provided pursuant to this Contract, to include, but not limited to, the contract fees and charges payable to the Contractor.

This Contract shall not be construed or be interpreted as waiving any regulatory or police powers, except to the extent, if any, specifically provided herein.

15. AMENDMENTS

All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon the written consent of the parties, which consents shall not be unreasonably withheld. No amendments shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.

16. FORCE MAJEURE

The Contractor shall not be liable for the failure to perform its duties if such failure is caused by a catastrophe, riot, war, government order or regulation, strike, fire, accident, and Act of God, or similar or different contingency beyond the reasonable control of the Contractor.

17. SEVERABILITY

In the event that any provision or portion thereof of the Contract Documents shall be found to be invalid or unenforceable, then such provisions or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of the Contract Documents shall not affect the validity or enforceability of any other provision portion thereof within the Contract Documents provided that, if the Contractor seeks to invalidate or void any term or provision of this Contract, this Contract shall, at the sole discretion of the City be terminated and become null and void. In the event the City should decide to terminate this Contract, this contract for such reason or reasons, that decision by the City shall not be construed as a waiver by the City to pursue any of its rights at law or in equity to which it may be entitled or as an estoppel to City's pursuing such rights. Venue for any litigation based on this Contract shall be in a court of competent jurisdiction in Tom Green or Travis County, Texas.

IN WITNESS WHEREOF, the City and the Contractor, each representing that its signatory hereto has full authority to bind it hereto, have executed this Contract on the date hereinafter referred.

Dated this _____ day of _____, 20__ in the City of _____, Texas.

ATTESTED HEREUNTO:

City of San Angelo
Tom Green County, Texas

By: _____

Name

Title

Dated: _____

ATTESTED HEREUNTO:

Texas Disposal Systems, Inc.

By: _____

Texas Disposal Systems, Inc.

Dated: _____

Attachment A
City of San Angelo
Price Sheet

(Entity will be provided several rate sheet options- this page may be replaced)

RESIDENTIAL SERVICE

Curbside Refuse Collection

Contractor will provide each residence with one (1) 96-gallon roll out cart for collection service for residential refuse one (1) time per week. The trash limit is the contents of the container only.

Curbside Single Stream Recycling

Contractor will provide each residence with one (1) 96-gallon roll out cart for collection service for recycled materials one (1) time every week. The recycle limit is the contents of the container only.

Curbside Bulky/Brush Pick Up

Contractor shall provide quarterly curbside bulky or brush waste collection annually to each residential customer upon customer request. Additional collections would be available at a cost determined by the Contractor.

Residential Rate:

Description	9-1-2013	9-1-2014	9-1-2015	9-1-2016	9-1-2017
Trash and Recycle	\$	\$	\$	\$	\$
Extra Cart	\$	\$	\$	\$	\$

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Past and Pending Litigation – March 15, 2007 to Present

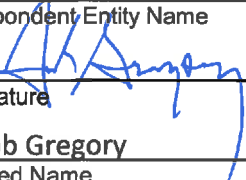
NAME OF CASE	DATE	TYPE OF CASE	STATUS
Iglehart v. Texas Disposal Systems, Inc.	2007	Vehicle Accident	Settled
Casares, David v. Texas Disposal Systems, Inc. and Alan Blankenburg	2008	Vehicle Accident	Dismissed
Farmers Ins. v. Rogers and Texas Disposal Systems, Inc.	2008	Vehicle Accident	Settled
NB/OASIS08, LP v. Texas Disposal Systems, Inc.	2008	Release of Lien	Dismissed
Safeco v. Bourassa and Texas Disposal Systems, Inc.	2008	Vehicle Accident	Dismissed
Iglehart vs. Texas Landfill Management, LLC	2008	Vehicle Accident	Settled
County of Bexar v. Texas Disposal Systems, Inc.	2009	Release of Lien	Dismissed
County of Llano v. Texas Disposal Systems, Inc.	2009	Release of Lien	Dismissed
Maldonado, Reynaldo v. Texas Disposal Systems, Inc.	2009	Vehicle Accident	Settled
McDougal Family Ltd. Partnership v. Texas Landfill Management, LLC	2010	Breach of Contract	Dismissed
Petra Padilla, et al. v. Texas Disposal Systems, Inc.	2010	Employee Accident	Settled
Warren, Russell v. Texas Landfill Management, LLC	2010	Employment Matter	Settled
Chad Springer v. Texas Disposal Systems, Inc.	2011	Vehicle Accident	Settled
Gutierrez v. Texas Disposal Systems, Inc.	2011	Vehicle Accident	Settled
Travis County, et al. v. Homestyle LLC	2012	Release of Lien	Dismissed
Caldwell County Appraisal District et al v. Mike Carr, et al	2012	Release of Lien	Pending
PHH Co., Inc. v. Texas Disposal Systems, Inc.	2012	Preferential Payment Claim	Settled
Dentworks of Austin v. Texas Disposal Systems, Inc.	2014	Vehicle Accident	Pending

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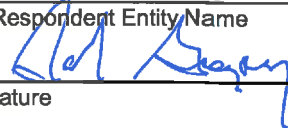
Signature Page, Attachment C
To be submitted with Respondent's Proposal as TAB 19

The undersigned certifies that (s) he is authorized to submit this proposal on behalf of the entity named below:

Texas Disposal Systems, Inc.
Respondent Entity Name


Signature
Bob Gregory
Printed Name
CEO & President
Title:

Texas Landfill Management, LLC
Co-Respondent Entity Name


Signature
Bob Gregory
Printed Name
CEO & President
Title

By signature(s) above, Respondent(s) agrees to the following:

1. If Respondent is a corporation, Respondent will be required to provide a certified copy of the resolution evidencing authority to enter into the contract, if other than an officer will be signing the contract.
2. If awarded a contract in response to this RFP, Respondent will be able and willing to comply with the insurance and indemnification requirements set out in RFP Appendix C and Appendix D.
3. If awarded a contract in response to this RFP, Respondent will be able and willing to comply with all representations made by Respondent in Respondent's proposal and during Proposal process.
4. Respondent has fully and truthfully submitted a Litigation Disclosure form with the understanding that failure to disclose the required information may result in disqualification of proposal from consideration.
5. Respondent agrees to fully and truthfully submit a Respondent Questionnaire and understands that failure to fully disclose requested information may result in disqualification of proposal from consideration or termination of contract, once awarded.
6. To comply with the City's Ethics Code, particularly Section 2-61 that prohibits a person or entity seeking a City contract - or any other person acting on behalf of such a person or entity - from contacting City officials or their staff prior to the time such contract is posted as a City Council agenda item. The undersigned firm submits the following information (this RFP submittal) in response to that Request for Qualifications (as amended by any Addenda), issued by the City of San Angelo, Texas ("City") to perform Professional Services for Historical Site Development. Enclosed, and by this reference incorporated herein and made a part of this RFP, are the following:
7. Completed Conflict Of Interest and the Debarment & Suspension forms
8. Respondent understands that they are responsible for calling the City or checking the City's website to determine if any addendums have been issued.
9. Respondent also understands that the City is not bound to select any firm for the final pre-qualified list and may reject any responses submitted.
10. Respondent further understands that all costs and expenses incurred by it in preparing this RFP and participating in this process will be borne solely by the firm, and that the required materials to be submitted will become the property of the City and will not be returned.
11. City will not be responsible for any errors, omissions, inaccuracies, or incomplete statements in this RFP. Firm accepts all terms of the RFP submittal process by signing this letter of interest and making the RFP submittal.
12. This RFP shall be governed by and construed in all respects according to the laws of the State of Texas.

THIS FORM MUST BE RETURNED WITH THE PROPOSAL

20

Proposal Checklist, RFP Attachment D
To be submitted with Respondent's Proposal as TAB 20

Use this checklist to ensure that all required documents have been included in the proposal and that they are properly tabbed and appear in the correct order.

Tab No.	Document	Initial To Indicate Document Is Attached To Proposal
	Table of Contents	AS
1	Executive Summary – Landfill Lease and Operations	AS
2	General Information <ul style="list-style-type: none"> Attachment A – Landfill Lease and Operations 	AS
3	Experience, Background, Qualifications, & References <ul style="list-style-type: none"> RFP Appendix C 	AS
4	Proposed Plan <ul style="list-style-type: none"> RFP Appendix C 	AS
5	Compensation Schedule <ul style="list-style-type: none"> RFP Appendix E 	AS
6	Proof of Insurability <ul style="list-style-type: none"> Insurance Provider's Letter Copy of Current Certificate of Insurance 	AS
7	Letter of Credit	AS
8	Disclosures <ul style="list-style-type: none"> RFP Appendix C 	AS
9	Sample Contracts	AS
10	Executive Summary – Waste Collections	AS
11	General Information and References <ul style="list-style-type: none"> Attachment A – Waste Collections 	AS
12	Experience, Background, & Qualifications <ul style="list-style-type: none"> RFP Appendix D 	AS
13	Proposed Plan <ul style="list-style-type: none"> RFP Appendix D 	AS
14	Compensation Schedule <ul style="list-style-type: none"> RFP Appendix F 	AS
15	Proof of Insurability <ul style="list-style-type: none"> Insurance Provider's Letter Copy of Current Certificate of Insurance 	AS
16	Letter of Credit	AS
17	Sample Contracts	AS
18	Disclosures <ul style="list-style-type: none"> RFP Appendix D 	AS
19	Signature Page <ul style="list-style-type: none"> RFP Attachment D 	AS
20	Proposal Checklist <ul style="list-style-type: none"> RFP Attachment E 	AS
21	Financial Qualifications and Bid Security	AS

One (1) Original, nine (9) Copies, and one electronic version of proposal in PDF format.

*Documents marked with an asterisk on this checklist require a signature. Be sure they are signed prior to submittal of proposal.

THIS FORM MUST BE RETURNED WITH THE PROPOSAL

21



TEXAS DISPOSAL SYSTEMS

TEXAS DISPOSAL SYSTEMS, INC. TEXAS DISPOSAL SYSTEMS LANDFILL, INC.

P.O. Box 17126
Austin, TX 78760-7126
512.421.1300
512.421.1325 (FAX)
www.texasdisposal.com

March 18, 2014

Mr. Roger Banks, Division Manager
Purchasing Division
Mr. Shane Kelton, Director of Operations
San Angelo Operations Department

City of San Angelo
72 West College Avenue
San Angelo, Texas 76903

RE: RFP No: OP-01-14/Lease and Operation of Sanitary Landfill And Waste Collection Services

Gentlemen:

Please let me explain why we are unable to give the City of San Angelo copies of our financial statements as outlined in Appendix C, Section C5 and Appendix D, Section D5. Our industry is extremely competitive and because the Open Records Act requires the City to provide copies of these financials to our competitors or their agents if they take the necessary steps in asking, we simply cannot take a chance that a competitor might gain access to our records. The only way we know to keep this from happening is to keep our financials confidential and not provide copies that could be subject to an Open Records Act request. However, if it is necessary to review financials as part of the evaluation process, we will be happy to meet with City staff and present the appropriate records. This will allow us to protect our confidential information and provide the City of San Angelo the assurance that we can fulfill our commitments and perform our obligations as outlined in this RFP.

We have included the following in our proposal:

- Letter from our bank indicating more than sufficient financial capacity to fulfill all proposed services including Letter of Credit requirements.
- Letter from our insurance provider indicating more than sufficient capacity to fulfill all insurance and bonding requirements.
- Certificate of Insurance reflecting the required insurance coverages.
- Bid Bond in the amount of a minimum of 5% of the first year proposed revenue.

We believe this will give evidence in form and substance satisfactory to the City that Texas Disposal Systems is financially sound and is a competent and qualified proposer.

Mr. Roger Banks
Mr. Shane Kelton
March 18, 2014
Page two

If you have any questions or comments I would be pleased to discuss this with you further. I would also be honored to show you our Texas Disposal Systems landfill, recycling and compost facility. Thank you for allowing us the opportunity to submit a proposal to provide services to the City of San Angelo.

Respectfully,



Thomas J. Mistler
Chief Operating Officer
Chief Financial Officer



March 3, 2014

Mr. Roger Banks, Division Manager, Purchasing Division
Mr. Shane Kelton, Director of Operations, San Angelo Operations Department
The City of San Angelo
72 West College Avenue
San Angelo, TX 76903

RE: RFP No: 0P-01-14 for the Lease and Operations of Sanitary Landfill and Waste Collections Services.

Gentlemen:

Union Bank provides various credit facilities to Texas Disposal Systems ("TDS"), which include, among other things, bond financing, working capital and acquisition financing, financing of transfer stations and material recovery facilities and term loans for equipment and various other capital. TDS is a highly valued client of Union Bank. We have reviewed the company's annual financial statements for the past five years and understand the company's operations and industry. TDS has met all of their financial obligations to Union Bank and the bondholders.

We have also reviewed the capital and financial requirements to fulfill the contract for the Lease and Operations of Sanitary Landfill and Waste Collections Services. Included in the financial requirements are those requirements included in Appendix C, Section C8 of the Lease and Operations of Sanitary Landfill and Appendix D, Section D12 of the Waste Collections Services. Based on these requirements, the company's excellent past financial performance and the current credit facilities available to them, TDS has more than sufficient financial capacity to provide the proposed services for both the Lease and Operations of Sanitary Landfill as well as the proposed services for the Waste Collection Services including any start-up capital items and letter of credit requirements as well as ensure the necessary cash flow to provide smooth and effective operations on an ongoing basis. I am not aware of any impediments that would prevent TDS from fulfilling any reasonable financial requirements under requirements for the Lease and Operations of Sanitary Landfill/Waste Collections Services contract.

Please feel free to contact me with any questions at (909) 244-1261.

Sincerely,

A handwritten signature in black ink, appearing to read 'Myra Juetten', written over a horizontal line.

Myra Juetten
Senior Vice President

Southern California Commercial Banking
3536 Concourse, Suite 300
Ontario, CA 91764

A member of MUFG, a global financial group

Tel. 909 244 1260
Fax 909 980 5195



March 18, 2014

Mr. Roger Banks, Division Manager
Purchasing Division
Mr. Shane Kelton, Director of Operations
San Angelo Operations Department
City of San Angelo
72 West College Avenue
San Angelo, Texas 76903

RE: RFP No: OP-01-14/Lease and Operation of Sanitary Landfill And Waste Collection Services

Gentlemen:

Insurance Network of Texas provides various insurance programs for Texas Disposal Systems. We have reviewed all insurance and bonding requirements specified in the City of San Angelo's RFP No: OP-01-14/Lease and Operation of Sanitary Landfill and Waste Collection Services, Appendix C, Section C9 and Appendix D, Section D13. Based on these requirements, the company's excellent past performance, and the current insurance and bonding programs available to them, we anticipate no problems in fulfilling all such requirements as outlined in the bid.

We have also provided a current insurance certificate with all required coverages as part of the bid response.

Please feel free to contact me with any questions at 512-304-8901.

Sincerely,

Ashley Mutschink

Ashley Mutschink
Vice President
Insurance Network of Texas
143 East Austin
Giddings, TX 78942

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/07/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Network of Texas 143 East Austin Giddings, TX 78942-3299 979 542-3666	CONTACT NAME: PHONE (A/C, No, Ext): 979 542-3666 FAX (A/C, No): E-MAIL ADDRESS:														
INSURED Texas Disposal Systems Inc. P.O. Box 17126 Austin, TX 78760	<table border="1"> <thead> <tr> <th data-bbox="803 430 1412 451">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1412 430 1549 451">NAIC #</th> </tr> </thead> <tbody> <tr> <td data-bbox="803 451 1412 483">INSURER A: Liberty Mutual Insurance Compan</td> <td data-bbox="1412 451 1549 483">23043</td> </tr> <tr> <td data-bbox="803 483 1412 514">INSURER B: Liberty Insurance Underwriters</td> <td data-bbox="1412 483 1549 514">19917</td> </tr> <tr> <td data-bbox="803 514 1412 546">INSURER C: Liberty Insurance Corporation</td> <td data-bbox="1412 514 1549 546">42404</td> </tr> <tr> <td data-bbox="803 546 1412 577">INSURER D: Admiral Insurance Company</td> <td data-bbox="1412 546 1549 577">24856</td> </tr> <tr> <td data-bbox="803 577 1412 609">INSURER E:</td> <td data-bbox="1412 577 1549 609"></td> </tr> <tr> <td data-bbox="803 609 1412 640">INSURER F:</td> <td data-bbox="1412 609 1549 640"></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Liberty Mutual Insurance Compan	23043	INSURER B: Liberty Insurance Underwriters	19917	INSURER C: Liberty Insurance Corporation	42404	INSURER D: Admiral Insurance Company	24856	INSURER E:		INSURER F:	
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INSURER D: Admiral Insurance Company	24856														
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> BI/PD Ded:15000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			TB2Z91437831034	01/15/2014	01/15/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			AS6Z91437831024	01/15/2014	01/15/2015	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10000			100003103304	01/15/2014	01/15/2015	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WA2Z9D437831014	01/15/2014	01/15/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
D	Pollu Limit Deductible			FEIEIL1239701	01/15/2014	01/15/2015	\$20,000,000 \$25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

As per policy provision, Certificate Holder is listed as additional insured in regard to the auto and general liability policies as provided by additional insured endorsement. A waiver of subrogation endorsement is provided to the Certificate Holder in regard to the auto, general liability and workers compensation policies as per policy provision.
 General liability, auto and workers compensation policies include(s) a 30 Days Notice of Cancellation (See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

City of San Angelo
 City's Risk Manager and Solid Waste
 Administrator at City Hall
 72 West College Ave.
 San Angelo, TX 76903

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

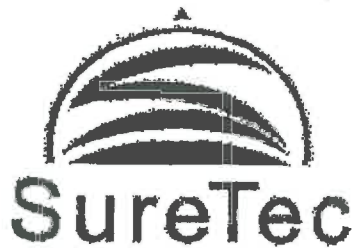
AUTHORIZED REPRESENTATIVE

R. J. Nutsche

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DESCRIPTIONS (Continued from Page 1)

endorsement providing 30 days advance notice if policy is canceled by the company other than for nonpayment of premium, or direct cancellation by named insured as per policy provision.



BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we Texas Disposal Systems, Inc. as principal, hereinafter called the "Principal," and **SURETEC INSURANCE COMPANY**, 9737 Great Hills Trail, Suite 320, Austin, TX 78759, as surety, hereinafter called the "Surety", are held and firmly bound unto City of San Angelo, as obligee, hereinafter called the Obligee, in the sum of 5% Maximum Amount of Bid----- Percent (5%) of the Amount of Bid by Principal for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the principal has submitted a bid for RFP No: OP-01-14 Lease and Operation and Sanitary Landfill and Waste Collection Services

NOW, THEREFORE, if the contract be timely awarded to the Principal and the Principal shall within such time as specified in the bid, enter into a contract in writing or, in the event of the failure of the Principal to enter into such Contract, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, neither Principal nor Surety shall be bound hereunder unless Obligee prior to execution of the final contract shall furnish evidence of financing in a manner and form acceptable to Principal and Surety that financing has been firmly committed to cover the entire cost of the project. Provided also, the surety shall not be bound hereunder unless contract terms are acceptable to Surety.

SIGNED, sealed and dated this 21st day of March, 2014.

Texas Disposal Systems, Inc.
(Principal)

BY: [Signature]

TITLE: COO/CEO

Sure Tec Insurance Company

BY: [Signature]

Robert James Nitsche, Attorney-in-Fact

SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Craig Parker, David P. Ferguson, Nina K. Smith, Robert James Nitsche, Robert K. Nitsche, Gary Nitsche, Kenneth Nitsche

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for:

Five Million and 00/100 Dollars (\$5,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment shall continue in force until 12/31/2015 and is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 21st day of March, A.D. 2013.

SURETEC INSURANCE COMPANY

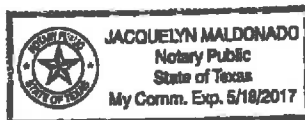
By: John Knox Jr., President

State of Texas
County of Harris

ss:



On this 21st day of March, A.D. 2013 before me personally came John Knox Jr., to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



Jacquelyn Maldonado, Notary Public
My commission expires May 18, 2017

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 21st day of March, 2014, A.D.

M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity.
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:00 am and 5:00 pm CST.