

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL CORRESPONDENCE SHEET
ENVIRONMENTAL SERVICES DEPARTMENT**

AGENDA ITEM NO.

53A + B

TO: Mayor and City Council

FROM: Daniel V. Cárdenas, Director of Environmental Services

THROUGH: Terry M. Brechtel, City Manager

COPIES: Melissa Byrne Vossmer; Andrew Martin; Louis Lendman; Milo Nitschke;
Ramiro Cavazos; Antonio Bosmans; Janie Cantu; File

SUBJECT: Solid Waste Services Contracts for the Heritage Northwest Area and Longs Creek Areas

DATE: December 4, 2003

SUMMARY AND RECOMMENDATIONS:

- A. This ordinance accepts the proposal and authorizes the City Manager or her designee to execute a one-year contract in the amount of \$495,763.20 with Waste Management Inc., to provide solid waste collection, disposal and recycling services in the Heritage Northwest area for the period of January 1, 2004 to December 31, 2004, and authorizes up to three (3) one (1) year extensions upon the approval of the Director of Environmental Services.
- B. This ordinance accepts the proposal and authorizes the City Manager or her designee to execute a one-year contract in the amount of \$434,419.20 with Waste Management, Inc., to provide solid waste collection, disposal and recycling services in the Longs Creek area for the period of January 1, 2004 to December 31, 2004, and authorizes up to three (3) one (1) year extensions upon the approval of the Director of Environmental Services.

Staff recommends approval of these ordinances.

BACKGROUND INFORMATION:

These contracts will provide residential solid waste collection, disposal and recycling services. The contracts will also provide for brush collection, dead animal collection, neighborhood cleanups and other related services in the Heritage Northwest and Longs Creek areas.

Contracts for solid waste collection in specific areas of San Antonio were initially used when these areas were annexed. At that time, the city did not have the capacity to absorb the additional homes. Private collection companies were able to provide the service at rates that were equal to or less than the cost for the city crews to provide collection services. This strategy has worked well; however, the private sector costs have been increasing to a point that now these costs are beginning to marginally exceed the city costs.

The existing contract with the current private waste collection company, Waste Management, expires on December 31, 2003. If the city were to add the 8,750 homes in these contracted areas to the existing route schedule at the expiration of this contract, additional resources for equipment and personnel would be required. Additional equipment, once ordered, would take an equipment manufacturer approximately nine months to build and deliver to the city. The value of these one-year contracts are that they provide the city flexibility and time to take actions to control costs while minimizing any adverse impact to the quality of service delivery or the Solid Waste Revenue Fund. At the end of these contracts, the city can choose not to exercise any of the three one-year options and provide service to the areas using city forces. This flexibility has provided the city an ability to negotiate prices and control costs. A cost comparison table is attached which identifies the costs for the city to provide the service. This cost analysis is done each year when the various collection contracts are scheduled for renewal. During the FY 2004-2005 budget process, staff will continue to evaluate the feasibility of continuing to contract collection services in future years.

Waste Management of Texas, Inc currently services both of these areas. The City solicited separate proposals for the areas on October 6, 2003. Two solid waste collection companies submitted proposals for Heritage Northwest and three submitted proposals for Longs Creek.

The low qualified proposal for Heritage Northwest is \$9.06 per household per month, submitted by Waste Management of Texas, Inc. The low qualified proposal for Longs Creek is \$8.64 per household per month, submitted by Waste Management of Texas, Inc. The City's direct cost for collection by city crews is \$8.45 per household per month for these locations. The direct cost represents the costs associated with refuse collection only and does not include the costs for administration, customer service, code enforcement or billing. There are currently 4,560 units in the Heritage Northwest area and 4,190 units in the Longs Creek area.

The term of these contracts is January 1, 2004 through December 31, 2004. The contracts provide for one-year agreements with options for the City to grant three one-year renewals. The renewal terms are subject to the Consumer Price Index (CPI). The adjustment for the CPI may not vary more than five percent (5%) from the current base compensation amount for each respective term year.

Factors used to evaluate and select the contractor include the firm's operational and financial capability to provide solid waste service in a cost-efficient manner. The rating of each consulting firm was based on a total of 100 points, 5 points for responsiveness to the request for proposals, 15 points for the operation plan, 35 points for cost of services, 25 points for background and capabilities including financial stability, staff qualifications and company experience, and 20 points for the Small Business Economic Development Advocacy (SBEDA) compliance. The rating matrix is attached.

The City will continue to provide administrative oversight including customer billing and collections, quarterly audits, monitoring for compliance and auditing and processing contractor payments. The City also provides a conduit for customers to express questions and concerns

regarding service delivery, specifically, staff support for neighborhood meetings, educational outreach, code compliance and 311 service.

POLICY ANALYSIS:

When these areas were annexed, the City opted to request proposals for solid waste services. This plan met the expectations of the impacted residents and allowed the City to evaluate the advantages and disadvantages of using private collection companies. There are currently seven solid waste collection contracts that supplement the City provided services. These contracts include:

Area	No. of Homes	Contractor
Great Northwest	9,152	Waste Management
Stone Oak	2,730	Waste Management
IH 10 East	6,060	Browning Ferris Industries, Inc.
IH 10 West	2,222	Waste Management
Timber Ridge	5,429	Waste Management
Being Considered:		
Longs Creek	4,190	Waste Management
Heritage Northwest	4,560	Waste Management
Total	34,343	

FISCAL IMPACT:

The estimated cost for these two contracts is \$930,182.40 to be paid to Waste Management of Texas, Inc., and shall be distributed monthly in accordance with the contract terms.

As the attached cost analysis shows, the FY 03-04 budget allowed for an increase of 1.5% over the current contract price. The negotiated price for the Longs Creek area is a 5.0% increase while the price for the Heritage NW area is a 2.0% increase. The impact to the Environmental Services Fund is \$12,727 more than budgeted. This increase will be absorbed in the operating budget.

COORDINATION:

This Ordinance has been coordinated with the Asset Management Department, Economic Development Department, the Office of Management and Budget, Finance Department, Office of Customer Service/311, and the City Attorney's Office.

SUPPLEMENTARY COMMENTS:

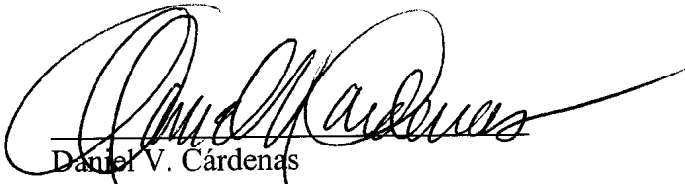
Due to health and safety reasons, contracts for collection and disposal of solid waste are not restricted to competitive bidding statutes. The Financial Disclosure form for Waste Management of Texas, Inc., is attached as required by the Ethics Ordinance. The scoring matrix used by the proposal review committee is also attached.

ATTACHMENTS

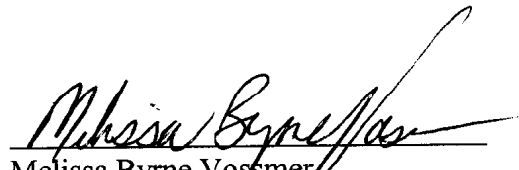
Proposals

Scoring Matrix

Financial Disclosure Forms

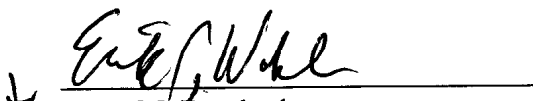


Daniel V. Cardenas
Director
Environmental Services Department



Melissa Byrne Vossmer
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager

Environmental Services Department
Solid Waste Division
Solid Waste Cost Comparisons

	COSA Direct	Waste Mgmt	Additional Over COSA
Longs Creek Comparisons			
Monthly Per Home Cost For Service	\$ 8.45	\$ 8.64	\$ 0.19
Number of Homes	4,190	4,190	4,190
Monthly Cost	\$ 35,385	\$ 36,202	\$ 816
Annual Cost	\$ 424,624	\$ 434,419	\$ 9,795

Heritage NW Comparisons			
Monthly Per Home Cost For Service	\$ 8.45	\$ 9.06	\$ 0.61
Number of Homes	4,560	4,560	4,560
Monthly Cost	\$ 38,510	\$ 41,314	\$ 2,804
Annual Cost	\$ 462,120	\$ 495,763	\$ 33,643

Total For Both Areas			
Monthly Cost	\$ 73,895	\$ 77,515	\$ 3,620
Annual Cost	\$ 886,744	\$ 930,182	\$ 43,438

Proposed Rate Review		Longs Creek	Heritage
Current WM Contract Per Home		\$ 8.23	\$ 8.88
Proposed Bid Dollar Increase To:		\$ 8.64	\$ 9.06
Percentage Increase		5.0%	2.0%

Budgeted Dollar Increase To:	\$ 8.35	\$ 9.01
Budgeted Percentage Increase	1.5%	1.5%

Increase in Fees to Professionals from New Rates	10,806	1,921
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Issuing Department: Environmental Services

**Evaluation Matrix for
Municipal Solid Waste Collection, Disposal and Recycling Services for
Heritage Northwest Area 2004**

Proposal Due: November 7, 2003

Section	Proposal Evaluation Criteria	Maximum Percentage Points	Waste Management	Inland Service Corporation
12.a.	Responsiveness to the Request for Proposal	5	5.0	3.8
12.b.	Operational Plan for Service Delivery	15	14.8	11.5
12.c.	Monthly Contract Rate	35	35.0	26.0
12.d.	Proponent's background and capability to provide the service requested	25	24.7	16.8
12.e. i.	Local Business participation	10	6.0	0.0
12.e.ii.	Disadvantaged Business Participation	5	0.0	0.0
12.e.iii	Small Business Economic Development Advocacy Policy Compliance	5	1.0	0.0
Grand Total		100	86.5	58.1

Issuing Department: Environmental Services

**Evaluation Matrix for
Municipal Solid Waste Collection, Disposal and Recycling Services for
Longs Creek Area 2004**

Proposal Due: November 7, 2003

Section	Proposal Evaluation Criteria	Maximum Percentage Points	Waste Management	Inland Service Corporation	Texas Disposal Systems
12.a.	Responsiveness to the Request for Proposal	5	5.0	4.2	2.8
12.b.	Operational Plan for Service Delivery	15	14.8	10.7	11.3
12.c.	Monthly Contract Rate	35	35.0	24.0	26.0
12.d.	Proponent's background and capability to provide the service requested	25	25.0	18.0	13.8
12.e.	Local Business participation	10	6.0	0.0	6.0
12.e.ii	Disadvantaged Business Participation	5	0.0	0.0	0.0
12.e.iii	Small Business Economic Development Advocacy Policy Compliance	5	1.0	0.0	1.0
Grand Total		100	86.8	56.8	61.0

☐ **City of San Antonio**

Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of Council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract;

NONE

(2) the identity of any business entity³ that would be a party to the discretionary contract;
and

NONE

the name of:

(A) any individual or business entity that would be a subcontractor on the discretionary contract;

NONE

(B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract;

NONE

³ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NONE

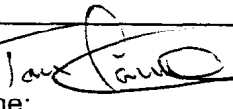
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
TONI MOOREHOUSE	\$300.00	APRIL 2003
ENRIQUE BARRETT	\$300.00	APRIL 2003
THOMAS AGUILON	\$200.00	APRIL 2003

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question⁴ as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: 	Title: DISTRICT MANAGER	Date:
Printed name: TOM CARROLL	Company: WASTE MANAGEMENT OF TEXAS, INC.	11/04/03

⁴For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.