

**CITY OF SAN ANTONIO
ENVIRONMENTAL SERVICES DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

CONSENT AGENDA
ITEM NO. 56

TO: Mayor and City Council

FROM: Daniel V. Cárdenas, Director of Environmental Services

SUBJECT: Solid Waste Services Contract for the Stone Oak Area

DATE: December 1, 2005

SUMMARY AND RECOMMENDATIONS

An ordinance accepting a proposal and authorizing the City Manager or her designee to execute a one-year contract in the projected amount of \$443,591.40 with Waste Management Services of Texas, L.P. (Waste Management), based on a unit price per home, to provide solid waste collection twice weekly, brush and bulky item collection twice annually, recycling services one time per week, dead animal collection and all associated waste disposal costs in the Stone Oak area for the period of January 1, 2006, to December 31, 2006, and authorizing up to three (3) additional one (1) year extensions upon the approval of the Director of Environmental Services; and providing for payment.

BACKGROUND INFORMATION

This contract will provide residential solid waste collection, disposal, and recycling services in the Stone Oak area (see map attached). The contract will also provide for brush/bulky item collection, dead animal collection, neighborhood cleanups and other related services.

The existing Solid Waste Services contract for this area, including renewal options, expires on December 31, 2005. The area is currently serviced by Waste Management. This area was annexed on December 31, 1997, and has been provided service through a contract since that time. The City solicited proposals for this area for the 2006 contract period on October 13, 2005. Three solid waste collection companies, Allied Waste, Inc., Texas Disposal Systems, and Waste Management, Inc., submitted proposals.

The low qualified proposal is \$10.85 per household per month, submitted by Waste Management. In addition to the above proposal rate per household, the City adds the cost of contract management, billing and collections, and the environmental fee. The total monthly fee to each household is \$13.99.

The term of this contract is from January 1, 2006, through December 31, 2006. The contract provides for a one-year agreement with options for three one-year renewals. Costs during renewal periods are subject to adjustment by 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. There are currently 3,407 units in the area. Each year, as the contract either expires or is pending renewal, the City performs an analysis to determine whether the vendor, or the City, is the most cost efficient for these services.

Factors used to evaluate and select the contractor include experience, background, qualifications, proposed operational plan, proposal price, local business participation, disadvantaged business participation and Small Business Economic Development Advocacy Policy compliance. The rating scores for evaluation criteria are summarized on the scoring matrix shown below. Waste Management's proposal is far more detailed and thorough in all aspects of the proposal than the other proponents, and is reflected in their scores for each category.

The City will continue to provide oversight and will maintain resources that are adequate to ensure service is provided in the event that the contractor is unable to perform. The City's oversight role includes administering the contract through customer billing and collections, quarterly audits, monitoring for compliance and auditing and processing the contractor payments. The City will also provide a conduit for customers to express questions and concerns regarding service delivery. Specifically, staff support for neighborhood meetings, educational materials and 311 customer services will continue to be provided.

POLICY ANALYSIS

When the area was 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. This ordinance continues the City Council's direction to use private sector firms to enhance the City's efficiency and compliance with regulations.

FISCAL IMPACT

The total households serviced in San Antonio are 323,000 of which 285,600 are serviced by City crews. The City's average direct cost to households for services provided by City crews is \$12.34 per household per month. This average direct cost includes personnel, fleet, disposal and other costs directly related to operations.

The lowest proposal of \$10.85 per household per month was submitted by Waste Management. Accepting this proposal would result in a savings of \$1.49 (when compared to the City's cost of \$12.34) per household per month or an annualized savings of \$60,917 for the 3,407 residential units in the area. The current contracted rate per household for this area is \$8.96. Comparing the current contracted rate to the proposed rate of \$10.85 results in a difference of \$1.89 (a 21% increase) due to increases in fuel, labor, repair and maintenance, worker's compensation, health care and other contractor operational costs. However, the \$10.85 is substantially below the City's actual cost for providing the same service.

Proposal Summary

Number of Homes:	3,407
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Type Of Service	Manual		Auto	
Rate	Monthly	Annual	Monthly	Annual
Current Contract	\$ 8.96	\$ 366,321	N/A	N/A
Proposal:				
Allied Waste	N/A	N/A	\$ 15.31	\$ 625,934
Texas Disposal	\$ 21.07	\$ 861,426	\$ 19.63	\$ 802,553
Waste Mgmt (Low Proposal)	\$ 10.85	\$ 443,591	N/A	N/A

Projected Increase		
Waste Mgmt (Low Proposal)	\$ 10.85	\$ 443,591
Current Waste Mgmt	\$ 8.96	\$ 366,321
Projected Increase	\$ 1.89	\$ 77,270
Percent Increase	21.1%	

Comparison To City's Cost

Projected Savings Over City Crews				
Solid Waste Crews	\$ 12.34	\$ 504,509	\$ 11.47	\$ 468,939
Waste Mgmt (Low Proposal)	\$ 10.85	\$ 443,591	N/A	N/A
Projected Savings	\$ 1.49	\$ 60,918	N/A	N/A

COORDINATION

This ordinance has been coordinated with the Contract Services Department, the Office of Management and Budget, the Finance Department, the Economic Development Department, 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.

ATTACHMENTS

Waste Management Services of Texas Proposal

Area Map

Scoring Matrix

Bidder Pricing Table

Financial Disclosure Form

for Rose Ryan

Daniel V. Cárdenas, Director
Environmental Services Department

Melissa Byrne Vossmer

Melissa Byrne Vossmer
Assistant City Manager

Sheryl Sculley

Sheryl Sculley
City Manager

**WASTE MANAGEMENT**

4730 S E Loop 410
San Antonio, TX 78222
(210) 368-5000

October 27, 2005

City of San Antonio
Attn: City Clerk
P.O. Box 839966
San Antonio, TX. 78283

RE: Request for Proposals (RFP) for Municipal Solid Waste, Recycling and Disposal
Services for the Stone Oak Area 2006

Dear City Clerk,

Thank you in advance for including Waste Management (WM) on your list of service providers for this RFP. We are excited about the opportunity to continue our strong partnership with the City of San Antonio in providing solid waste services to the various communities.

WM has thoroughly reviewed the specifications of the RFP and fully understands the level of service to be provided to the Stone Oak Area. It is understood that the initial term of this contract is for one year with an option for three (3) one-year extensions to include an annual CPI increase. Our proposed rate for the initial term is \$10.85.

If awarded this contract, be assured that WM is committed to providing the City of San Antonio excellent collection and disposal service per the RFP specifications. The proposed level of service and corresponding rates will remain valid for ninety (90) days from the deadline date for this RFP.

The following WM employees are responsible for the implementation of the proposed contract.

Greg Velasquez	District Manager	210-368-5055/210-279-6384
Paul Garcia	Operations Manager	210-368-5078/210-326-1835
John Long	Operations Supervisor	210-368-5050/210-279-6357

Sincerely,

Don Smith
Central Market Area General Manager



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Sincerely,

Don Smith
Central Market Area General Manager

REVISED

RFP ATTACHMENT F

PRICING SCHEDULE

State any and all fees you would charge to provide all services listed in this RFP if awarded a contract pursuant to this RFP.

- 1. Monthly contract rate per residential unit to be charged for the type of Solid Waste Services for the Stone Oak Area and breakdown of rate for the base period of the contract: (All spaces must be completed with a price).**

Base Period of the Contract: One (1) Year Period

Solid Waste Services for Stone Oak Contract Area (Year 1 – pricing per unit (home) per month)	Price for Solid Waste Services per Month (Manual Collection)	Price for Solid Waste Services per Month (Mechanized Collection)
Option A. Manual Garbage Collection	\$10.98	
Option B. Conversion to Automated or Semi-Automated Garbage Collection		N/A
Garbage Disposal	0.00	N/A
Dead Animal Collection and Disposal	0.00	N/A
Recycling Collection & Marketing	0.00	N/A
Brush, bulky items and white goods collection, i.e., illegal dumps clean ups, storm damage clean-ups, brush shredding, metal recycling and brush mixed with rubbish disposal.	0.00	N/A
Community or City-wide clean-up events and disposal	0.00	N/A
Total Monthly Residential Rate (Does not include Customer Billings which are performed and absorbed by the CITY, except for costs for out-of-cycle services and veterinary dead animal pickup which are billed directly by the CONTRACTOR.)	\$10.98	N/A

2. Monthly contract rate per residential unit to be charged for the type of Solid Waste Services for the Stone Oak Area and breakdown of rate for Option Periods of the contract: (All spaces must be completed with a price).

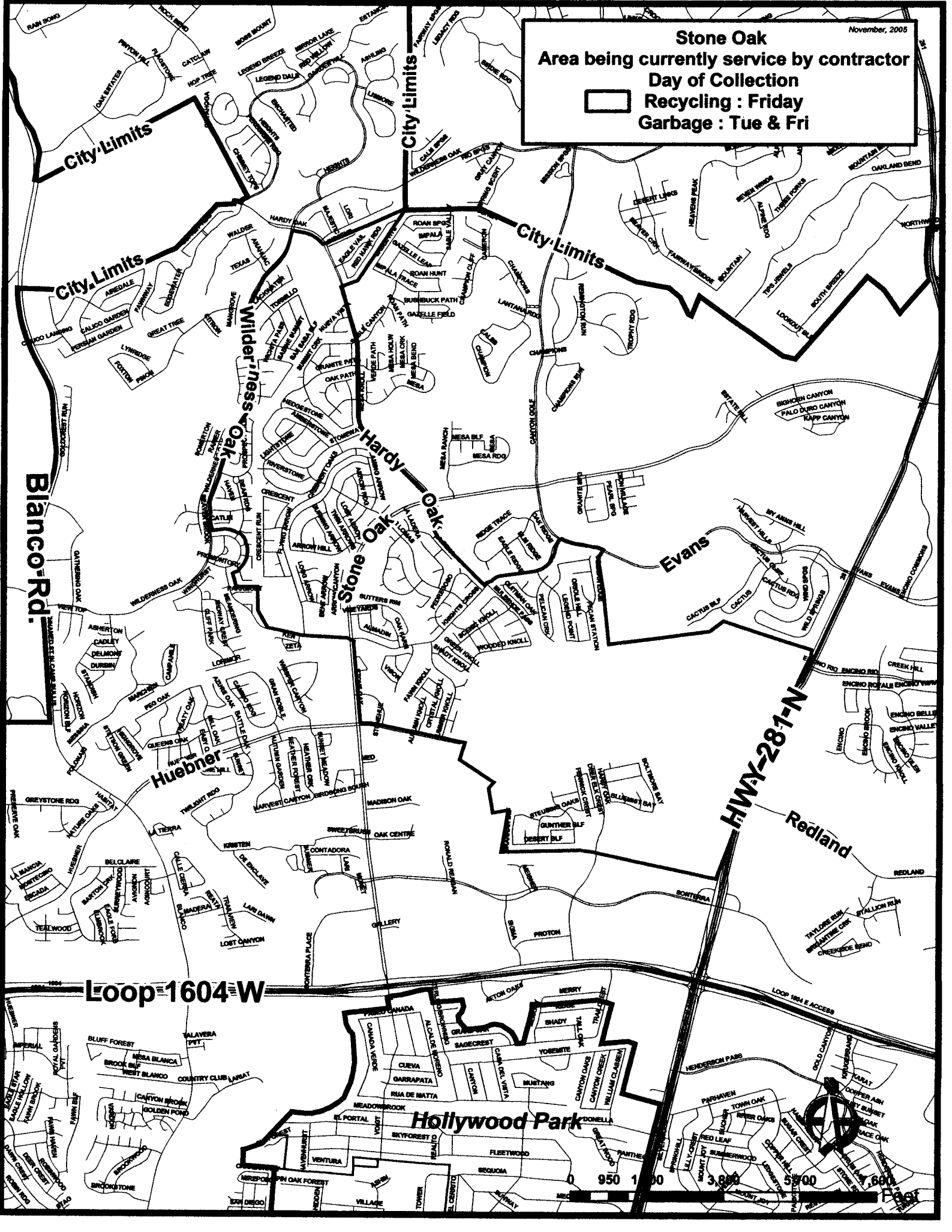
Option Periods of the Contract: Up to three (3) additional one (1) Year Terms

Solid Waste Services for Stone Oak Contract Area (Years 2-4 pricing per unit (home) per month, exclusive of any CPI adjustments which will be determined at a later date)	Price for Solid Waste Services per Month (Manual Collection)	Price for Solid Waste Services per Month (Mechanized Collection)
Option A. Manual Garbage Collection	\$10.98	
Option B. Conversion to Automated or Semi-Automated Garbage Collection		N/A
Garbage Disposal	0.00	N/A
Dead Animal Collection and Disposal	0.00	N/A
Recycling Collection & Marketing	0.00	N/A
Brush, bulky items and white goods collection, i.e., illegal dumps clean ups, storm damage clean-ups, brush shredding, metal recycling and brush mixed with rubbish disposal.	0.00	N/A
Community or City-wide clean-up events and disposal	0.00	N/A
Total Monthly Residential Rate (Does not include Customer Billings which are performed and absorbed by the CITY, except for costs for out-of-cycle services and veterinary dead animal pickup which are billed directly by the CONTRACTOR.)	\$10.98	N/A

3. ENHANCED PROPOSAL OPTIONS SUBMITTED AT PROPONENT'S DISCRETION
(Provide attachment if necessary.)

N/A

Stone Oak
 Area being currently service by contractor
 Day of Collection
 Recycling : Friday
 Garbage : Tue & Fri



Stone Oak Proposal Cumulative Scoring

	Allied Waste Services	Texas Disposal Systems	Waste Management
Experience, Background & Capability 25 Points Maximum	14.8	10.5	20.7
Proposed Plan 20 Points Maximum	12.2	12.6	19.0
Evaluation of Pricing Schedule 35 Points Maximum	25.1	18.2	35.0
Local Business Enterprise 10 Points Max	6.0	6.0	6.0
Historically Underutilized Enterprise 5 Points Max	0.0	0.0	0.1
Compliance w/SBEDA Policy 5 Points Max	0.0	0.0	1.0
TOTAL SCORE	58.1	47.3	81.9

Pricing Table

Type Of Service	Manual		Auto	
Rate	Monthly	Annual	Monthly	Annual
Current Contract	\$ 8.96	\$ 366,321	N/A	N/A
Proposal:				
Allied Waste	N/A	N/A	\$ 15.31	\$ 625,934
Texas Disposal	\$ 21.07	\$ 861,426	\$ 19.63	\$ 802,553
Waste Mgmt (Low Proposal)	\$ 10.85	\$ 443,591	N/A	N/A

RFP ATTACHMENT B

City of San Antonio

Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

<p>(1) Identify any individual or business entity³ that is a party to the discretionary contract:</p>
<p>None</p>
<p>(2) Identify any individual or business entity which is a partner, parent or subsidiary business entity, of any individual or business entity identified above in Box (1):</p>
<p><input checked="" type="checkbox"/> No partner, parent or subsidiary; or</p> <p>List partner, parent or subsidiary of each party to the contract and identify the corresponding party:</p> <p>None</p>
<p>(3) Identify any individual or business entity that would be a subCONTRACTOR on the discretionary contract.</p>
<p><input checked="" type="checkbox"/> No subCONTRACTOR(s); or</p> <p>List subCONTRACTORS:</p> <p>NONE</p>
<p>(4) Identify any lobbyist or public relations firm employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.</p>
<p><input checked="" type="checkbox"/> No lobbyist or public relations firm employed; or</p> <p>List lobbyists or public relations firms:</p> <p>NONE</p>

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. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made 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 Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☐ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
WM PAC	Roland Gutierrez	\$500	8/05
WM PAC	Joel Williams	\$500	4/05
WM PAC	Patti Raddle	\$500	4/04
WM PAC	Richard Perez	\$500	4/04
WM PAC	Roger Flores	\$500	4/04
WM PAC	Ron Segovia	\$500	4/04

(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question⁴ as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

X Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature:  Printed Name: Don Smith	Title: Central Market Area General Manager Company or D/B/A: Waste Management of Texas, Inc.	Date: 10-27-05
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⁴ For 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.