

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

CONSENT AGENDA  
ITEM NO. 68

**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 15, 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 of Texas, Inc. (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 of Texas, Inc., submitted proposals.

The low qualified proposal is \$10.85 per household per month, submitted by Waste Management of Texas, Inc. 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
<b>Waste Mgmt (Low Proposal)</b>	<b>\$ 10.85</b>	<b>\$ 443,591</b>	N/A	N/A

Projected Increase		
<b>Waste Mgmt (Low Proposal)</b>	<b>\$ 10.85</b>	<b>\$ 443,591</b>
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
<b>Waste Mgmt (Low Proposal)</b>	<b>\$ 10.85</b>	<b>\$ 443,591</b>	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.

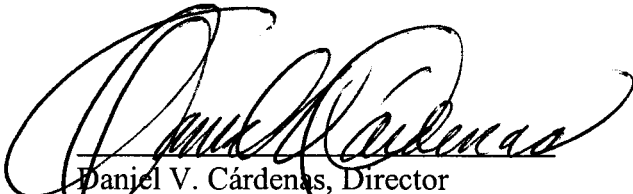

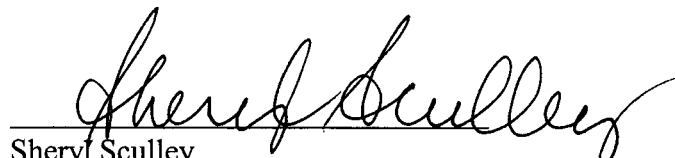
**ATTACHMENTS**

Waste Management Proposal and Area Map

Scoring Matrix

Bidder Pricing Table

Financial Disclosure Form

  
Daniel V. Cardenas, Director  
Environmental Services Department  
Melissa Byrne Vossmer  
Assistant City Manager  
Sheryl Sculley  
City Manager



**WASTE MANAGEMENT OF  
SAN ANTONIO**

4730 S.E. Loop 410  
San Antonio, TX 78222  
(210) 368-5000  
(210) 648-0301 Fax

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,

A handwritten signature in black ink, appearing to read 'Don P. Smith', written over a horizontal line.

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	\$10.85	
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.)	\$10.85	N/A