



## San Angelo Seeks Leverage in Negotiations with Republic Services Over Contract Changes

By Joe Hyde | Jun. 8, 2016 11:10 am

The city council pushed for more leverage in their negotiations with Republic Services over changing service levels in the 2014 trash contract at Tuesday's regularly scheduled city council meeting.

Council considered approving amendments to the July 2014 trash contract purposed to trade reducing the citywide recyclables pickup from every week to every other week in exchange for increasing the quarterly bulk trash pickup to a monthly schedule.



*A pile of trash mixed with recyclables awaits sorting at Butts Recycling Center. (LIVE! Photo/Chelsea Reinhard)*

When the trade was first suggested earlier this year, Councilwoman Elizabeth Grindstaff requested then for city staff to compare the financial cost between the existing and proposed service levels in the trade. She wanted to know if the city was trading equitable value between the two service levels.

City Operations Director Shane Kelton came prepared with as much as he could, after explaining that revealing the exact costs of each service will compromise Republic Services' trade secrets.

The proposed trade

<b>Service</b>	<b>Now</b>	<b>After Revision</b>
<b>Residential Recyclable Pickup</b>	<b>52 times/year</b>	<b>26 times/year</b>
<b>Bulk Trash Pickup</b>	<b>4 times/year</b>	<b>12 times/year</b>

Kelton argued the trade was financially even for Republic. He said the extra bulk pickups would force Republic to hire two additional garbage men to handle the increased bulk pickup schedule, increasing their costs.

The number of trucks Republic uses to service San Angelo will remain the same under the new arrangement at 11, even though the number of citywide pickups is reduced 18 times per year under the new service.

“The way they’re able to do this (provide more bulk pickup, less recyclable pickup) for the same rate is by making up time,” Shelton explained. Republic will also increase costs because the bulk pickup tonnage will be weighed into the landfill, costing Republic a net cost, or commission, to the city for landfill tonnage fees, Kelton argued.

In order to help citizens who are ace recyclers, Republic offered to provide a second recycling cart for the first six months at no charge to any city customer who requested one. Extra recycling carts are normally priced at \$1.29 per month with a one-time, optional \$20 delivery fee. Citizens can avoid the delivery fee by picking up their extra cart at Republic’s offices.

Republic and Texas Disposal Systems officials were in the audience. Christy Youker, area manager for TDS, argued the trade was not equitable. In a handout passed out at the meeting, TDS stated, “There should be a reduction in rate created by this reduction of service.”

TDS CEO Bob Gregory said early on during the 2014 contract negotiations that a weekly recyclable pickup schedule was not best practices. His company has experience operating as the recyclable pickup vendor for the City of Austin. Even Austin doesn’t have a weekly recyclable pickup schedule, he said then.

In 2014, TDS pushed for the city to consider a bi-weekly recyclable schedule because TDS said their proposed rates were more competitive at \$13.43 per month per residence plus a \$0.65 per month cart rental fee. Increasing TDS’ proposed biannual to monthly bulk pickup would have increased the TDS bid \$1/mo. their handout states.

Having lost the contract bid to Republic, TDS’s present day angle is to persuade the council to take recyclable and bulk trash collection out of the contract and allow TDS to competitively bid on a contract to provide that service. Presumably, Republic could bid too.

All members of council expressed their concern for the need for more bulk pickup now that spring-cleaning is complete and San Angelo enters the summer months on a gush of record rainfall. Grass trimmings and branches are piling up on residents’ lawns, and unless the citizen owns a pickup to haul the refuse to the dump, there is no way to dispose of the bulk clippings and trimmings.

The mayor expressed his approval for the contract change early on, and it appeared that most of the council was falling in line behind him. At the end of the council members’ discussion, Councilwoman Elizabeth Grindstaff questioned the financial equality between the existing service to the proposed service.

She also added a few gripes of her own.

Grindstaff said she appreciated the gesture of offering an additional recycling cart for free, but approached the issue like the architecture design student she was (Grindstaff holds a BA in Environmental Design and a Masters in Urban Planning, both from Texas A&M University in College Station).

“Our lots are only 50 feet wide (on the street), and when you (already) have two cans for 24 to 36 hours, and you’re adding a third can, you realize how this has changed the whole appearance of our neighborhoods? So, three cans (taking up) 20 percent of your street front, it is now some sort of garbage apparatus. And (for) so many of my constituents, they aren’t convinced there aren’t a few alleys that you can let (a trash truck) in.

If the modern automatic arm trash trucks can fit down an alleyway, the trash cans can return to some alleys and stay out of the front of some homes.

“I feel that voting on this at this time is going to leave a lot of people upset. We’ve ignored some of their issues. And again, it may be, Shane, that that equipment can’t make it (down certain alleyways)... but people aren’t convinced of that yet,” she said.

“My interest is not in (having no extra) bulk pickup, because I personally would utilize it... I don’t have a pickup truck,” Grindstaff said.

Grindstaff said she would rather examine Republic’s requested changes all at once, and add a few of her own, than make small, incremental changes every few months.

Kelton revealed in the discussion that Republic’s next contract change request would be to institute a one-ton minimum charge for landfill use. That is, if a half-ton pickup load is deposited in the Republic-managed landfill, Republic is requesting the city allow them to charge for a full ton.

Apparently, Republic was going to request that change at a later date, after getting weekly recyclable pickup reduced to every other week at Tuesday’s meeting.

Councilman Bill Richardson concurred that he didn’t know why trash couldn’t be picked up in some alleyways.

“We’re getting a little bit off-topic,” Mayor Dwain Morrison said.

Grindstaff made a motion to table the contract change, prompting the mayor to express his strongest argument in favor of the contract change and against tabling the item.

“We have created a mess for our citizens, and we have an opportunity to get once-a-month bulk pickup that will solve these problems. And, I’m not willing to table this. I will vote against it (tabling). I would like to implement this. (Let’s) get this system up and running, and let’s take care of all of these mosquito bins of yard waste that we have all over our city before we have a bigger problem. I think we’ve waited two months too long anyway,” Morrison said.

During citizens’ comments, R. A. Cantrell praised the idea of instituting more bulk pickup. However, he demurred, suggesting collusion between city staffers and Republic against the citizens.

“I noticed that Mr. Kelton from time-to-time employed the first person plural, the pronoun, when speaking about ‘we’ or ‘Republic’ and it kinda got me confused as to whether he works for them or for us,” he said.

“I work for the City of San Angelo,” Kelton responded.

“It wasn’t quite clear by your statement(s), and in an adversarial relationship where we’re contractually obligated to deal with Republic, we should have our employees and our council be on our side and not theirs,” Cantrell responded.

Despite his reservations, Cantrell urged the council to approve the contract change. Then, he said, the council could open up discussions about other items, like alleyway pickup, in subsequent meetings.

Youker of TDS noted that the contract also penalizes citizens an extra 50 cents per month for not obtaining the lofty goal of 500 tons of net recyclables citywide. The highest mark so far reported was March 2016 when the city reached a record 314 tons. The recycling penalty was added to citizens’ bills late last year.

#### Recycling Tonnage Year-to-Date

<b>Month</b>	<b>Gross</b>	<b>Net</b>	<b>Contamination %</b>
<b>August 2015</b>	<b>364 tons</b>	<b>263 tons</b>	<b>28%</b>
<b>September 2015</b>	<b>351 tons</b>	<b>268 tons</b>	<b>24%</b>
<b>October 2015</b>	<b>364 tons</b>	<b>255 tons</b>	<b>30%</b>
<b>November 2015</b>	<b>353 tons</b>	<b>255 tons</b>	<b>28%</b>
<b>December 2015</b>	<b>449 tons</b>	<b>293 tons</b>	<b>35%</b>
<b>January 2016</b>	<b>399 tons</b>	<b>250 tons</b>	<b>37%</b>
<b>February 2016</b>	<b>374 tons</b>	<b>274 tons</b>	<b>27%</b>
<b>March 2016</b>	<b>469 tons</b>	<b>314 tons</b>	<b>33%</b>
<b>Total Recycling YTD</b>	<b>3,123 tons</b>	<b>2172 tons</b>	<b>30% Avg.</b>

Table: City of San Angelo Solid Waste Department.

“Let’s look at the costs (comparisons) before moving forward with this,” she said, hinting that eliminating the recycling penalty should be part of the negotiations.

The council voted 4-3 to table the proposed changes. Joining Grindstaff in opposing the changes were Richardson, Councilman Marty Self, and Councilwoman Charlotte Farmer.

After the meeting, Grindstaff said that the city shouldn’t give up all of its leverage in negotiating the anticipated future contract revision requests from Republic (like the tonnage fee increase at the landfill). She wants all of Republic’s requested contract changes on the table before negotiations begin.

Until a negotiated final settlement, bulk pickup remains scheduled for once per quarter (pickup schedule [here](#)). Citizens can also make one visit to the landfill per month to dispose of bulk items themselves at no charge. You must bring a municipal water bill and photo ID to utilize this benefit (details are on this [web page](#)).