

## TDS Presentation to Council for Agenda Item #6d

### 1. Republic Services is Offering Less Service for the Same Rate

TDS proposed once weekly trash service and every other week recycling service in 2014 at a significantly cheaper rate than once weekly trash service and weekly recycling service (see "Attachment A"). Republic is reducing the recycling service by 26 pickups per year, and only increasing the bulky collection by 8 pickups per year. There should be a reduction in rate created by this reduction in service.

The City only requested a response for weekly recycling service in the RFP in 2014. TDS responded with a weekly recycling service rate as well as an alternative rate for every other week recycling (see "Attachment B") because the majority of cities which TDS services have found that every other week recycling best fits their needs. Furthermore, our alternative proposal for every other week recycling was significantly lower in price than our weekly recycling proposal.

In our alternative proposal for every other week recycling TDS proposed two bulky pickups per year. TDS also offered 2 additional bulky pickups for an additional \$0.20 per month. Applying that same additional service rate to 10 additional pickups per year, the rate would be increased proportionally, or \$1.00, for the 10 additional pickups.

The net effect of these two changes would decrease the TDS proposed rate by \$3.07 or 17%, because there would be significantly less service provided to the City.

### 2. Republic Service's Commercial Rates Increased Significantly and Were Much Higher Than TDS's Commercial Rates

As TDS shows on Attachment 2, TDS's proposed commercial rate was \$55,556 less per month than Republic's proposed rate.

### 3. Council Should Delay This Vote and Put Recycling Services and Bulky Collection Service Out To Bid

We are asking the Council to delay action on this agenda item and let the new City Council study and evaluate the charges proposed by Republic Services. Specifically, whether it would be in the best interest of the City and its residents to go out to bid for monthly bulky collection service and every other week recycling service.

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	Trash	Recy				
Option 1 -20 - before recycling	Y	N	Y	N	Quarterly	\$20/Ton	Per RFP	\$13.12
Option 2 -20 - before recycling	Y	N	Y	N	Quarterly	\$20/Ton	Per RFP	\$10.23
Option 1 -20 - with recycling	Y	Y	Y	Y	Quarterly	\$20/Ton	Per RFP	\$20.24
Option 2 -20 - with recycling	Y	Y	Y	Y	Quarterly	\$20/Ton	Per RFP	\$17.35
Option 1 -25 - before recycling	Y	N	Y	N	Quarterly	\$25/Ton	Per RFP	\$13.57
Option 2 -25 - before recycling	Y	N	Y	N	Quarterly	\$25/Ton	Per RFP	\$10.68
Option 1 -25 - with recycling	Y	Y	Y	Y	Quarterly	\$25/Ton	Per RFP	\$20.64
Option 2 -25 - with recycling	Y	Y	Y	Y	Quarterly	\$25/Ton	Per RFP	\$17.75
Option 1 -30 - before recycling	Y	N	Y	N	Quarterly	\$30/Ton	Per RFP	\$14.02
Option 2 -30 - before recycling	Y	N	Y	N	Quarterly	\$30/Ton	Per RFP	\$11.13
Option 1 -30 - with recycling	Y	Y	Y	Y	Quarterly	\$30/Ton	Per RFP	\$21.04
Option 2 -30 - with recycling	Y	Y	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.

**Comparison of San Angelo Residential Solid Waste Service Rates**  
**2013 Ordinance rates, Rates offered by Republic in response to RFP-OP-01-14, Contracted rates**  
**effective August 2014, and Rates offered by TDS in response to RFP OP-01-14 and rejected by City**  
**staff and City RFP Review Committee**

	Base Rate per month	% Increase from 2013 rate
2013 residential rate per City Ordinance - not including fuel adjustment fee	\$ 9.81	
Rate offered by Republic in response to RFP OP-01-14 - Trash and Recycle pickup once per week, bulky pickup 4 times per year and including recycled tonnage surcharge fee of \$.50 (1)	\$ 11.54	18%
2014 Republic Contracted rate - Trash and Recycle pickup once per week, bulky pickup 4 times per year and including recycled tonnage surcharge fee of \$.50 (1)	\$ 14.47	48%

TDS Proposal - Trash and Recycle pickup once per week, bulky pickup 4 times per year	Base Rate	% Increase from 2013 rate	% Difference - TDS proposed rates as compared to 2014 Contracted rate
Landfill rate of \$20/ton	\$ 17.35	77%	20% TDS is \$2.88 more than Republic
Landfill rate of \$25/ton	\$ 17.75	81%	23% TDS is \$3.28 more than Republic
Landfill rate of \$30/ton	\$ 18.15	85%	25% TDS is \$3.68 more than Republic

TDS Alternate proposal - TDS Trash pickup once per week, Recycle pickup every other week, Bulky pickup twice per year	Base Rate	% Increase from 2013 rate	% Difference - TDS proposed rates as compared to 2014 Contracted rates
Landfill rate of \$20/ton	\$ 13.93	42%	4% TDS is \$0.54 less than Republic
Landfill rate of \$25/ton	\$ 14.33	46%	1% TDS is \$0.13 less than Republic
Landfill rate of \$30/ton	\$ 14.73	50%	2% TDS is \$0.26 more than Republic

(1) This \$.50 per month per residence surcharge for all residences combined not generating a total of 500 tons of "recyclables" per month is almost assured to be charged for years to come, since glass is not included as recyclable and considering the way the contract is worded, Republic has no requirement to minimize the amount of residual (unsorted materials generally with a negative value) or maximize the amount of recyclables coming from the sorting of the single stream recycling program materials collected from residences. For example, if only half of the recyclable materials collected from residences are sorted from the single stream materials, then a minimum of 1,000 tons of single stream materials would need to be collected per month from residences to generate 500 tons per month of actual "recyclables".

(2) Adding 2 more TDS bulky collection per year would add \$0.20 per month to the TDS charge per residence.

**Comparison of San Angelo, Texas Non Residential (Commercial) Solid Waste Service Rates**  
**2013 Ordinance rates, Actual rates billed by Republic for June 2014, Rates offered by Republic in response to RFP OP-01-14,**  
**Contracted rates effective August 2014 and rates offered by TDS in response to RFP OP-01-14 and rejected by City staff and City**  
**RFP Review Committee**

Containers		2013 ORDINANCE RATES	ACTUAL RATES BILLED FOR JUNE 2014	RATES AS OFFERED BY REPUBLIC IN RESPONSE TO RFP AND CONTRACTED RATES EFFECTIVE 08/01/14+14				RATES AS OFFERED BY TDS ON 03/21/14 IN RESPONSE TO RFP OP-01-14 AND REJECTED BY CITY STAFF AND CITY RFP REVIEW COMMITTEE (4)					
		A	B	C	D	E	F	G	H	I	J	K	L
Cu yd	Pickup Frequency per week	COSA Published ordinance base service rate effective October 2013	Rate to customer including overcharge amount (1)	Republic proposed RFP base service rate (2)	Contracted rates effective August 2014 (3)	% Increase - 2014 Contracted rate (D) as compared to October 2013 ordinance rate (A)	% Increase - Proposed rate (F) as compared to rate billed in June (B)	Proposed base service rate @ \$20/ton LF	% Difference - TDS proposed rates (G) as compared to Republic proposed rates (D)	Proposed base service rate @ \$25/ton LF	% Difference - TDS proposed rates (I) as compared to Republic proposed rates (D)	Proposed base service rate @ \$30/ton LF	% Difference - TDS proposed rates (K) as compared to Republic proposed rates (D)
2	1	\$42.54	\$58.41	\$62.00	\$73.00	73%	25%	\$56.00	23% LESS	\$58.00	21% LESS	\$60.00	18% LESS
2	2	\$70.01	\$96.14	\$102.00	\$120.00	73%	25%	\$102.00	15% LESS	\$105.00	13% LESS	\$108.00	10% LESS
2	3	\$88.91	\$122.09	\$129.50	\$152.75	73%	25%						
2	4	\$109.01	\$149.70	\$159.00	\$187.00	73%	25%	See note (6)		See note (6)		See note (6)	
2	5	\$126.43	\$173.62	\$184.50	\$217.00	73%	25%						
2	6	\$147.41	\$202.42	\$215.00	\$253.00	73%	25%						
3	1			\$80.75	\$95.00			\$75.00	21% LESS	\$78.00	18% LESS	\$81.00	15% LESS
3	2			\$127.25	\$149.75			\$142.00	5% LESS	\$147.00	2% LESS	\$152.00	2% MORE
3	3	See note	See note	\$169.00	\$199.13	See note	See note						
3	4	(5)	(5)	\$213.50	\$251.25	(5)	(5)	See note (6)		See note (6)		See note (6)	
3	5			\$252.75	\$297.75								
3	6			\$290.00	\$341.25								
4	1	\$68.24	\$93.71	\$99.50	\$117.00	73%	25%	\$88.00	25% LESS	\$91.00	22% LESS	\$94.00	20% LESS
4	2	\$104.57	\$143.60	\$152.50	\$179.50	73%	25%	\$161.00	10% LESS	\$168.00	6% LESS	\$175.00	3% LESS
4	3	\$142.98	\$196.34	\$208.50	\$245.50	73%	25%	\$234.00	5% LESS	\$245.00	0% LESS	\$256.00	4% MORE
4	4	\$183.74	\$252.31	\$268.00	\$315.50	73%	25%	\$304.00	4% LESS	\$322.00	2% MORE	\$337.00	7% MORE
4	5	\$220.38	\$302.64	\$321.00	\$378.50	73%	25%	\$382.00	1% MORE	\$400.00	6% MORE	\$418.00	10% MORE
4	6	\$250.21	\$343.60	\$365.00	\$429.50	73%	25%						
6	1			\$117.50	\$146.25			\$113.00	23% LESS	\$118.00	19% LESS	\$123.00	16% LESS
6	2			\$235.00	\$247.50			\$200.00	19% LESS	\$211.00	15% LESS	\$222.00	10% LESS
6	3	See note	See note	\$352.50	\$337.50	See note	See note	\$288.00	15% LESS	\$304.00	10% LESS	\$320.00	5% LESS
6	4	(5)	(5)	\$386.00	\$443.00	(5)	(5)	\$375.00	15% LESS	\$397.00	10% LESS	\$419.00	5% LESS
6	5			\$457.50	\$538.25			\$461.00	14% LESS	\$489.00	9% LESS	\$517.00	4% LESS
6	6			\$549.00	\$631.25			\$549.00	13% LESS	\$582.00	8% LESS	\$615.00	3% LESS
8	1	\$102.20	\$140.34	\$149.00	\$175.50	73%	25%	\$132.00	25% LESS	\$139.00	21% LESS	\$146.00	17% LESS
8	2	\$183.74	\$252.31	\$268.00	\$315.50	73%	25%	\$238.00	25% LESS	\$252.00	20% LESS	\$266.00	16% LESS
8	3	\$250.21	\$343.60	\$365.00	\$429.50	73%	25%	\$344.00	20% LESS	\$366.00	15% LESS	\$388.00	10% LESS
8	4	\$332.32	\$456.36	\$484.50	\$570.50	73%	25%	\$450.00	21% LESS	\$479.00	16% LESS	\$508.00	11% LESS
8	5	\$406.49	\$558.21	\$592.00	\$698.00	73%	25%	\$555.00	20% LESS	\$592.00	15% LESS	\$629.00	10% LESS
8	6	\$485.06	\$666.10	\$707.00	\$832.75	73%	25%	\$662.00	21% LESS	\$706.00	15% LESS	\$750.00	10% LESS

(1) Includes fuel/environmental recovery fee of 33.2503% and the overcharge portion of the City franchise fee and sales tax as billed for June 2014.  
(2) RFP response rates as offered by Republic Services and obtained by TDS as a result of an open records request  
(3) Posted ordinance rates effective 08/01/14, Section 9(D) allows for an annual increase of 2.9% plus an annual fuel adjustment which will take effect October 2015 and each October thereafter.  
(4) TDS offered several rate options depending on the disposal fee to be paid to the City. The majority of the rates offered are less than the rates proposed by Republic.  
(5) 3 and 6 cu yd containers were not offered to customers by Republic services during the current contract period.  
(6) TDS did not offer certain size and pickup frequency combinations if other combinations would more efficiently and less expensively provide the same service yardage.

Non Residential Service (Commercial) Contracted rates effective August 2014 applied to customer matrix information provided by City staff during the RFP process, compared to rates offered by TDS in response to RFP shows that TDS rates are lower than Republic contracted rates by 13%

CUSTOMER MATRIX				RATES AS OFFERED BY REPUBLIC ON 03/21/14 IN RESPONSE TO RFP OP-01-14 (1)		REPUBLIC CONTRACTED RATES EFFECTIVE 08/01/14 (2)		RATES AS OFFERED BY TDS ON 03/21/14 IN RESPONSE TO RFP OP 01-14 AND REJECTED BY CITY STAFF AND CITY RFP REVIEW COMMITTEE (3)		DIFFERENCE CALCULATION			
Cu Yd Size	Pickup Frequency	# Accts		Base Rate	Total Monthly charges	Base Rate	Total Monthly charges	Proposed base service rate	Total Monthly charges	Monthly Difference	TDS Higher/Lower than Republic	Annual Difference	10 year total Difference
2	1	679		\$62.00	\$42,098	\$73.00	\$49,567	\$60.00	\$40,740	\$8,827	TDS lower than Republic		
2	2	113		102.00	11,526	120.00	13,560	108.00	12,204	1,356	TDS lower than Republic		
2	3	11		129.50	1,425	152.75	1,680	-	1,680	0	See note (4)		
2	4	2		159.00	318	187.00	374	-	374	0	See note (4)		
2	5	3		184.50	554	217.00	651	-	651	0	See note (4)		
2	6	2		215.00	430	253.00	506	-	506	0	See note (4)		
3	1	1		80.75	81	95.00	95	81.00	81	14	TDS lower than Republic		
3	2	0		127.25	0	149.75	0	152.00	0	0	See note (4)		
3	3	0		169.00	0	199.13	0	-	0	0	See note (4)		
3	4	0		213.50	0	251.25	0	-	0	0	See note (4)		
3	5	0		252.75	0	297.75	0	-	0	0	See note (4)		
3	6	0		290.00	0	341.25	0	-	0	0	See note (4)		
4	1	548		99.50	54,526	117.00	64,116	94.00	51,512	12,604	TDS lower than Republic		
4	2	281		152.50	42,853	179.50	50,440	175.00	49,175	1,265	TDS lower than Republic		
4	3	101		208.50	21,059	245.50	24,796	256.00	25,856	1,061	TDS higher than Republic		
4	4	3		268.00	804	315.50	947	337.00	1,011	65	TDS higher than Republic		
4	5	26		321.00	8,346	378.50	9,841	418.00	10,868	1,027	TDS higher than Republic		
4	6	8		365.00	2,920	429.50	3,436	-	3,436	0	See note (4)		
6	1	1		117.50	118	146.25	146	123.00	123	23	TDS lower than Republic		
6	2	2		235.00	470	247.50	495	222.00	444	51	TDS lower than Republic		
6	3	0		352.50	0	337.50	0	320.00	0	0	See note (4)		
6	4	0		386.00	0	443.00	0	419.00	0	0	See note (4)		
6	5	0		457.50	0	538.25	0	517.00	0	0	See note (4)		
6	6	0		549.00	0	631.25	0	615.00	0	0	See note (4)		
8	1	192		149.00	28,608	175.00	33,600	146.00	28,032	5,568	TDS higher than Republic		
8	2	264		268.00	70,752	315.50	83,292	266.00	70,224	13,068	TDS higher than Republic		
8	3	135		365.00	49,275	429.50	57,983	388.00	52,380	5,603	TDS higher than Republic		
8	4	10		484.50	4,845	570.50	5,705	508.00	5,080	625	TDS higher than Republic		
8	5	59		592.00	34,928	698.00	41,182	629.00	37,111	4,071	TDS higher than Republic		
8	6	56		707.00	39,592	832.75	46,634	750.00	42,000	4,634	TDS higher than Republic		
<b>Total Accounts</b>	<b>2,497</b>			<b>\$ 415,525</b>		<b>\$ 489,045</b>		<b>\$ 433,488</b>		<b>\$ 55,556</b>	<b>TDS lower than Republic</b>	<b>\$ 666,675</b>	<b>\$ 6,666,750</b>
										<b>per month</b>		<b>per year</b>	<b>in the first 10 years</b>

- (1) RFP response rates as offered by Republic Services and obtained by TDS as a result of an open records request.
- (2) Posted ordinance rates effective 08/01/14. Section 9(D) allows for an annual increase of 2.9% plus an annual fuel adjustment which will take effect October 2015 and each October thereafter.
- (3) TDS offered several rate options depending on the disposal fee to be paid to the City. This comparison uses rates proposed with a \$30/ton landfill rate. TDS also offered rates assuming \$20 and \$25/ton.
- (4) TDS did not offer certain size and pickup frequency combinations if other combinations would more efficiently and less expensively provide the same service yardage.