

Bidding format could spur war for landfill contract

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City Council has changed the bidding format for two solid waste giants, opening the door for a multi million-dollar showdown next week over which firm's landfill becomes the new San Antonio garbage dump.

Stiff competition in the bidding process to capture the contract worth at least \$5 million per year is designed to result in lower garbage bills, Mayor Nelson Wolff said Friday.

"We're asking these two large giants to become competitive," Wolff said.

"It would serve the best interests of the community if they come here next Thursday with two strong bids.

The vote we will take Thursday is very important.

It is what we will do with our landfill for the next 10 years."

San Antonio's average residential garbage bill is \$8.99 per month.

Any additional increase would come from the usage of the private landfill instead of the city's own.

At an estimated \$8.45 per ton, the city's more than 12,000 ton weekly garbage accumulation would cost at least \$5 million per year, according to city staff figures.

During an executive session Thursday night, the council decided to ask the two companies to submit bids on what they would charge the city to take over the municipal Nelson Gardens landfill when it reaches capacity this fall.

The bids also must contain user rates for providing new landfill space for San Antonio's solid waste.

Previously, the two firms were asked to bid on fractions of the work, with Waste Management Inc. assuming 75 percent and Browning-Ferris Industries taking the other 25 percent.

Under the new rules, each company will be asked to bid on 100 percent of the city's landfill business for both 10- and 20-year periods.

Other companies including the local firm of Beck Ready Mix and Texas Disposal Systems of Austin have been asked to submit bids.

In a statement released late Friday, City Manager Alex Briseno said a proposal negotiated with Waste Management will expire Thursday.

Any private sector firm bidding on the contract must be able to provide disposal service on or before Jan. 1, Briseno said.

The city is forced to turn to the private sector because, despite repeated warnings from the industry and a citizens committee, Nelson Gardens is expected to run out of space by Nov. 1 and no new municipal landfill has been readied.

"We are at the point where we have to have the private sector come in and help us with our landfill," said Councilman Lyle Larson, a proponent of privatization. "We want good, competitive rates, and we're hoping that (more bidders) will result in better bids."

City officials had pinned their hopes on state approval of a permit to increase the height of Nelson Gardens by 200 feet and thus extend its useful life, but that has not occurred.

Review of the permit request was delayed when that responsibility was transferred March 1 from the Texas Department of Health to the Texas Water Commission. Bexar County legislators also disagreed over whether the expansion was a good idea.

Larson said the best-case scenario calls for water commission approval of the Nelson Gardens expansion permit in about a year.

In the meantime, BFI executive Shelby Lowe said his company's strength is that it operates Bexar County's only other landfill.

"We could take over tomorrow," Lowe said.

The landfill touted by Waste Management is Covel Gardens, located next to Nelson Gardens but not ready for operation, said regional vice president Charles F. "Mickey" Flood.

Flood said it would take work on a 24-hour-a-day basis to install the sophisticated water and gas liner and piping systems required by the federal Environmental Protection Agency at Covel Gardens, and even then, the facility could not open before February or March.

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Page: 1A

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