

# Contract revisions may mean city is quitting landfill business

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A City Council decision Thursday on whether to award a long-term contract to a private firm to use its landfill may take the city out of the garbage dump business, some officials contend.

Faced with virtually no more space at the municipal Nelson Gardens landfill, city officials are looking at various private companies to bury San Antonio's garbage for 10 to 20 years.

Waste Management of Texas Inc. released a statement Saturday saying it still is prepared to pay the city \$5 million cash to take over Nelson Gardens, the city's landfill equipment and personnel.

The city will continue to pick up garbage, but after November there may be no place left to dump it.

Browning-Ferris, Inc. was expected to submit a bid for the entire contract after it pulled out of negotiations in which the city planned to split the landfill business among Waste Management, BFI, Beck Ready Mix and Texas Disposal Systems.

Negotiations have spanned six months with the four companies with the solid-waste giant, Waste Management Inc., submitting what some officials felt was the most attractive proposal.

Waste Management was offering \$5 million cash plus another \$3 million in incentives to win the long-term contract.

The company planned to take over the final months of operations of Nelson Gardens, meet costly federal regulations to monitor the site for 30 years, purchase the city's landfill equipment and hire qualified employees or find them other jobs.

Costs to the city were projected to be \$8.45 per ton under a long-term contract, totaling at least \$5 million per year, based on the city's minimum 12,000 tons of garbage weekly.

But with that proposal scheduled to expire Thursday, the City Council late last week decided to open the bidding process to anybody in the hope of getting a better deal.

The city wants guaranteed rates for the first five or six years with any subsequent rate increases tied to the Consumer Price Index and promises that a private landfill can last for either 10 or 20 years.

Waste Management is in the position that other bidders know its best offer up to now, and Saturday's statement by Charles F. Flood, group vice president and regional manager, indicated that Waste Management should have been awarded the entire contract after BFI pulled out.

"Essentially, other firms are being solicited to meet or beat our best proposal, which has been widely reported and discussed," Flood stated.

How the issue turns out this week and whether garbage customers will end up paying more than the current monthly fee of \$8.99 is anybody's guess.

"I certainly don't see it going down," said Councilwoman Helen Ayala, in whose district Nelson Gardens is located.

She expressed skepticism about private companies taking over the landfill business because of reports in other cities that they bid low and later raise rates.

"They are in business to make money," Ayala said. "(The city) runs it for a service. It's two different worlds. We don't need to lose money, but we need to make enough to pay for the service.

"I want to be able to control rates," Council woman Lynda Billa Burke said. "(Private companies) can gouge us to death, and I don't want that to happen."

Mayor Nelson Wolff cautioned the bidding firms to avoid price fixing and said he hopes the increased competition in bidding will result in the best possible rates.

He blamed the current dilemma on prior city councils for not doing some long-term planning for adequate landfill space.

Added Councilman Bill Thornton, "I am extremely frustrated. We are living with the failure to act in the past and without a plan for the future.

"It's a terrible failure to act," Thornton said. "I find myself on a council with no choice." A last-minute solution to shrinking municipal landfill space had been to increase the height of Nelson Gardens by 200 feet, but approval was delayed by the Texas Water Commission, which inherited that authority from the Texas Department of Health on March 1.

In addition, squabbling among Bexar County legislators about the need for the expansion contributed to the delay.

In any case, several council members said the city fought too long and too hard for permits issued by the state to give them up as a bargaining chip with the private companies.

Burke and Ayala said they do not want to abandon attempts to secure an expansion permit at Nelson Gardens or the permit for a transfer station near International Airport.

"Once we shut down Nelson Gardens and we give up our permits and equipment, it's very hard to get back into the public landfill business," Ayala said.

Permits take between three and six years to win state approval and are even harder to obtain now that new federal regulations are scheduled to take effect in 1994.

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