



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 42

Agenda Date: May 2, 2024

In Control: City Council A Session

DEPARTMENT: Solid Waste Department

DEPARTMENT HEAD: David Newman

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Selection and Award of Municipal Solid Waste Disposal Service Contracts

SUMMARY:

This ordinance authorizes the execution of agreements with Waste Connections – Post Oak Clean Green, Waste Management of Texas, Inc., and BFI Waste Systems of North America, LLC., dba Tessman Road Landfill, for municipal solid waste disposal services for the City of San Antonio for a ten-year term beginning on October 1, 2025, and ending September 30, 2035, with options to renew for two, five-year terms. The total estimated annual cost for the first year of these contracts is \$13.3 million. The estimated cost for the first ten years of these contracts is \$133 million. Funded from the Solid Waste Operating and Maintenance Fund subject to City Council approval of the annual budget.

BACKGROUND INFORMATION:

The City of San Antonio's Solid Waste Management Department (SWMD) provides weekly garbage collection to approximately 375,000 customers via curbside cart collection. Additional municipal solid waste (MSW) is collected through four residential drop-off centers, twice yearly curbside collection of bulky materials, community clean-ups, dead animal collection, and homeless camp abatements. The customer count is expected to grow by about 1% to 2% annually.

Over a ten-year period, the SWMD expects to deliver about 4.2 million tons of MSW to the three landfills through this contract. The SWMD expects to divide that tonnage based on operational need and various factors, including distance to the routes, ease of access, etc., that the Department may model on an annual basis.

These proposed contracts shall replace existing contracts for MSW disposal services with BFI, ending September 30, 2025, WM, ending June 11, 2025; and Texas Disposal Systems Landfill, Inc., ending September 30, 2025.

The City issued a Request for Proposals (RFP) for “Solid Waste Disposal Services” (RFP 23-069, 6100016481) on February 24, 2023 with a submission deadline of May 12, 2023. The RFP was advertised in the San Antonio Express News, TVSA channel, the City’s Bidding & Contracting Opportunities website, the San Antonio e-Procurement System, and an email notification was released to a list of potential Respondents. Seven proposals were received. Two of the Respondents submitted a “no bid” and one proposal was deemed non-responsive for providing a substantially incomplete proposal response. The remaining four proposals were deemed eligible for the evaluation committee’s review. Three of the four proposals were for traditional waste disposal landfill services. One proposal proposed an alternative waste-to-fuel option.

On July 6, 2023, the evaluation committee met to discuss and evaluate the three proposals received for landfilling. The Committee had representatives from the City Manager’s Office, SWMD, Finance Department, and CPS Energy. The Finance Department, Procurement Division, facilitated the procurement by ensuring compliance with City procurement policies and procedures.

The evaluation was based on a total of 100 points: 35 points for Experience, Background and Qualifications; 30 points for the Proposed Plan; 20 points for price; 10 points for the Local Preference Program; and 5 points for Veteran Owned Small Business Preference Program. Individual scores were submitted by each committee member and aggregate scores were presented.

The Committee recommended contract awards to WC, WM and BFI. On July 27, 2023, the same Committee met to interview and evaluate RePower, South, LLC., who submitted the waste-to-fuel proposal. They were not recommended for a contract award.

A pre-solicitation briefing was presented to City Council at a B Session meeting held on November 9, 2022 prior to release of the RFP. In addition, a post-solicitation briefing was presented to City Council at a B Session meeting held on March 20, 2024 on staff’s recommendation for Council award.

ISSUE:

This ordinance authorizes the execution of three contracts and payment in accordance with these contracts for disposal of municipal solid waste with Waste Connection – Post Oak Clean Green

(WC), Waste Management of Texas, Inc. (WM), and BFI Waste Systems of North America, LLC., dba Tessman Road Landfill (BFI) to provide municipal solid waste disposal services for the City of San Antonio for a ten-year term beginning on October 1, 2025, and ending September 30, 2035, with options to renew for two, five-year terms. The estimated annual contract value for the first year is \$13.3 million. The contract value may increase based on increases in the tonnage collected and delivered, as well as annual pricing increases based on consumer price index as described in the contract documents.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy Program.

The Local Preference Program was applied to this contract, however only two of the three recommended firms qualified as local businesses.

The Veteran-Owned Small Business Preference Program was applied to this contract, however none of the recommended firms qualified.

ALTERNATIVES:

City Council could choose not to enter into one or all of these agreements with the selected vendors. The City could re-issue the RFP and/or solicit proposals from additional vendors. Upon expiration of the existing contracts, disposal without a contract might be at a potentially higher cost.

FISCAL IMPACT:

This ordinance authorizes the execution of agreements with Waste Connections – Post Oak Clean Green, Waste Management of Texas, Inc., and BFI Waste Systems of North America, LLC., dba Tessman Road Landfill, for municipal solid waste disposal services for the City of San Antonio for a ten-year term beginning on October 1, 2025, and ending September 30, 2035, with options to renew for two, five-year terms. The total estimated annual cost for the first year of these contracts is \$13.3 million. The estimated cost for the first ten years of these contracts is \$133 million. Funded from the Solid Waste Operating and Maintenance Fund subject to City Council approval of the annual budget.

RECOMMENDATION:

City Staff recommends approval of an ordinance authorizing the execution of contracts and authorizing payment in accordance with the contracts for WC, WM and BFI.

These contracts were procured by means of a Request for Proposals and Contracts Disclosure Forms are required.