

The Landfill Contract Has Already Been Bid and Waste Management is the Low Bidder!

It has been suggested that the City "bid its landfill contract." The truth is, it has been bid and Waste Management won the bid!

In 1990, Jacksonville invited bids from all waste services companies to operate a landfill for Jacksonville's solid waste. As one of the bidders, Waste Management proposed their Trail Ridge site on the far west side of Jacksonville to be the landfill.

After intense competition, the City selected Waste Management's proposal. Our Trail Ridge site was deemed the best option for Jacksonville's landfill and our technical qualifications were rated the highest of all bidders. Furthermore, our price was 60% below the next lowest bidder!

Waste Management then developed the 977-acre Trail Ridge site. An area, called a "cell", was engineered and permitted on 148-acres, and a special liner was constructed to protect the environment. In 1992, operations began and we conveyed to Jacksonville the Trail Ridge facility. The opening of Trail Ridge allowed Jacksonville to close its troubled City-run landfills on the north

side and in the Arlington area.

At the time of formation of the existing contract, both Waste Management and the City's Public Utilities Works Department were clear that our contract to operate the landfill was for the life of all capacity that could be built on the 977-acre Trail Ridge site. Waste Management would not have conveyed all 977-acres on a contract that recognizes only the first 148-acres – nor would the City have expected us to do so.

- Waste Management's proposal was for the entire 977-acre site.
- Planning, engineering, and permitting drawings were for the entire 977-acre site.
- Environmental permitting from the Florida Department of Environmental Protection was for the entire 977-acre site.

Some years after Trail Ridge opened, lawyers for Jacksonville decided to argue that the landfill contract could be broken up to allow bidding on future development. Waste Management never relinquished its contract rights so as to potentially allow a competitor to operate the landfill we

acquired, proposed, successfully bid on, engineered, permitted, developed and operated.

Waste Management has worked cooperatively with Jacksonville officials for years to avoid litigation over this issue. About two years ago, the City approached us with an offer to resolve this contract dispute without litigation. In our opinion this is sound business management that avoids costly litigation on both sides.

Jacksonville and Waste Management have a lot to gain by cooperating. The City and Waste Management, especially the City, in our opinion, have much to lose by going to litigation. The City's Public Works Department and Solid Waste Division drove a hard bargain in the restated contract, one that will save \$250 million over the life of the existing low-bid contract.

For the past 17 years, Waste Management has saved Jacksonville over \$160 million. We are proud of our operating efficiencies and of our excellent service to the community. We look forward to many more years of service to the families and businesses of Jacksonville.

At Waste Management we strongly believe it is in the best interest of Jacksonville to build upon our successful partnership. We also believe that there are wise, prudent, and responsible reasons for the City Council to approve the restated contract negotiated by the City.

We ask that you evaluate these facts and benefits and listen to reason with an open mind.

Thank you.

