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# The City Has A Low Bid Contract For Landfill Services And A Contract Is A Contract.

In 1990, Jacksonville invited bids from all waste services companies to operate a landfill for Jacksonville's solid waste. After an intense competition, the City selected Waste Management's proposal. Our technical qualifications were rated the highest of all bidders and our price was 60% below the next lowest bidder!

When we signed 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.

Some years after Trail Ridge Landfill 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 that a potential competitor might operate the landfill we acquired, we proposed, we successfully bid, we engineered, we permitted, we developed and we operated.

## **Resolve the contract dispute without litigation.**

About two years ago, the City approached Waste Management with an offer to resolve the contract dispute without 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.

All negotiations between the City and Waste Management are in the open and Mayor Peyton's office has delivered the complete 125-page contract to the City Council for review. It is also available to the public for inspection.

## **The restated contract is win-win!**

The successful relationship between Waste Management and the City has saved Jacksonville citizens and businesses over \$160 million. The restated agreement going forward provides even more benefits:

- Grants the City new, green services, such as recycling which is vital to protecting the environment and extending the life of the landfill.
- Provides for the use of even more efficient technology for

the disposition or handling of solid waste.

- Guarantees competitive bidding for professional services and construction within the landfill that has already been competitively bid.
- Gives the City a termination option.
- The City of Jacksonville no longer has the significant cost of closure and post-closure expenses.

## **Jacksonville and Waste Management have a lot to gain by cooperating.**

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. In our opinion, the City has much to lose by going to litigation. Loss of liability protection, substantially increased fees, and litigation are some of the possibilities if the restated contract is not approved. The restated contract gives the City more flexibility, and lower adjusted rates than in 1991, thus saving residents and businesses \$12-14 million dollars in the next seven years alone.

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

**Thank you.**

