

Straight Talk

Residential Waste Disposal Services

When researching the history of the community's relationship with Waste Management (WM), the Staff and Board of Directors uncovered two documents which were put in place many years ago and were not generally known. Specifically, they are:

1. A resolution dated, January 15, 1997, and approved by the Heritage Highlands Board of Directors (US HOME controlled) which states, "All homeowners must subscribe for waste disposal with Waste Management of Tucson." The passage of this resolution is authorized by Section 6.5 (A) of the CC&Rs and is still in effect.

A copy of this resolution was placed behind a divider tab called "**Rules and Regulations**" in the HH Homeowner's Book which was provided to new home buyers. However, it appears that in late 2003, this document, as well as others, was omitted from the book.

2. An exclusive contract was awarded in the fall of 1999, by the Board after receiving competitive bids for waste disposal services. WM was the low bidder of the three bids received. Dayne Sharek, the HH Associate GM, signed the contract which had an effective date of 11/1/1999.

The contract was a 60 month contract which automatically renews for succeeding one year terms on the 11/1 anniversary date. That contract provides for twice a week pickup of waste and once a week pickup of recycle items. The 1999 cost was \$9.95 per month plus governmental fees. The current cost is \$12.92 per month plus governmental fees with billing occurring every 4 months. The cost has increased just over 2% per year as provided for in the terms of the contract. The contract also provides for individual starts/stops when residents are away. WM's current individual/commercial rate for these services is \$18.99 plus the governmental fees (about 47% higher than our current rate). The contract is still in place and has a termination notice requirement of 60 days but not more than 180 days before the anniversary date.

The Board held a special meeting on Wednesday, September 2nd and reaffirmed the '97 resolution. Therefore, we must ask a group of residents, estimated at 10-15, who have engaged services with a waste hauler other than WM **to terminate their agreement at the earliest date possible, but no later than November 1** and to come into conformity with the resolution and the exclusive terms of the contract. We have contacted Saguaro Environmental Services and made them aware of the situation and they have agreed to try to contact these residents to terminate their contracts. They have also indicated that they will make any account adjustments necessary for each individual case. They are interested in participating in any future competitive procurement process to provide services to HH.

The upcoming contract will run until November 1, 2010. The Board has determined that it is appropriate to continue with the contract into 2010 and use the intervening time as an opportunity to evaluate our current services and options and determine if there is an advantage to the community to conduct a new competitive bid process. Mike Dech and Walter Schneider will undertake the activities necessary to conduct this evaluation and make the determination. A tentative timeline would require that any bid process be completed by May 1, 2010 to provide for the proper notice to the current provider, if cancellation was needed, and to negotiate the new contract and execute whatever logistical changes that may be required. To make the evaluation of the current services some of the activities planned will

include publishing a poll during the month of November to explore desired waste disposal services, considering the consolidation of HOA's commercial and residential services to improve all service features and costs, determining the advantages of developing a Request for Proposal (RFP) to firmly establish cost impacts, and then conducting a competitive bid procurement process on behalf of the community.

We will keep you informed of our efforts and progress on this project.