



Services and standards missing from the Miramar Landfill privatization plan

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The terms for privatizing Miramar Landfill are set in the Request for Qualifications and Statement of Interest (RFQ), issued by the City of San Diego in July 2010. This invitation to bidders established the standards and service levels to be required of the contractor chosen to operate and develop the landfill.

A number of services and quality protections at Miramar are omitted from the RFQ. Unless the requirements are strengthened, the resulting contract will relax environmental standards, decrease accountability and allow undetermined cost increases for San Diego residents and taxpayers.

Significant risks resulting from omissions in the RFQ include:

Higher Costs

Fee increases are likely for individuals, local businesses and nonprofits that take trash to the landfill. The RFQ makes no mention of these current services:

- Low fees for self-hauling. The cost per ton for waste disposal at Miramar is less than half that charged by privately operated landfills in the region (\$30 compared to \$64). Many private landfills are closed to the general public.
- Discount agreements for small companies. Local haulers have franchises giving them discounted rates at Miramar.
- Fee waivers for charities. Some charities can use the landfill free of charge.

Potential lost revenue for recycling. The RFQ requires the operator to collect the fees that fund the City recycling program, but doesn't establish how the City will oversee collection of the funds. A similar arrangement in San Jose led to protracted disputes when the City found that private operators failed to collect \$1.4 million in recycling fees. San Diego must ensure it can collect the recycling funds to continue the service without raising fees charged to citizens and businesses.

City's legal and financial liability. As the leaseholder of the land, which is owned by the U.S. Navy, the City will remain legally liable for environmental cleanups or other costs if the contractor fails or abandons the landfill, or in cases of legal dispute with the contractor. Even if the contractor accepts responsibility, it could charge the cost of unforeseen hazards to the City and the public. For example, when Republic Services had to pay \$36 million to clean up leakage from its Sunrise landfill into Lake Mead in 2008, the company increased fees to raise the money.

Environmental Risk

Unknown environmental impacts. The California Environmental Quality Act (CEQA) mandates a comprehensive review of the impacts before any major change with environmental implications. The RFQ doesn't mention the Environmental Impact Report required by the state law. Without that review, the City Council and the public don't have enough information to make an informed decision on the merits of privatizing the landfill.

Relaxed environmental standards. The procedures at Miramar have exceeded many environmental protection minimums. The City is not asking bidders to meet the high standards city staff have used to protect the region's air and water as well as ecosystems and endangered species on the site.

Reduced Services and Staffing

Mulch and compost. Bidders are not required to continue the Greenery, where landfill staff recycles yard and food waste to produce mulch, compost and wood chips provided free or at low prices to city residents.

Inexperienced staff. The RFQ asks for the qualifications of executives and management, but doesn't mention qualifications of vital staff like biologists and engineers and doesn't require bidders to maintain current staffing levels.

Lost Accountability

Closed process. The RFQ does not require any public review or comment on the privatization of the landfill until the City has accepted a final bid. That is too late for meaningful input. There should be a democratically accountable, transparent process for evaluating the bidders, rather than unilateral selection by the Mayor.

Potential monopoly. Nothing in the selection criteria addresses monopoly or antitrust concerns. Asked about it in a Q&A section of the document, the City left the issue up to the companies' own lawyers. There are only three companies in San Diego County in the waste collection and disposal business, and one of them, Allied Waste (owned by Republic Services), operates all landfills in the county besides Miramar.

Summary

The RFQ provides a detailed description of the contract San Diego plans to use to privatize Miramar Landfill, but with many omissions and weaknesses that make the privatization a risky gamble for residents and businesses. The standards and services required of the private operator must be strengthened before a contract is signed.