



Date: July 8, 2024  
 To: Chris Mattingly, PE – Director of Utilities  
 From: Nathan Madenwald, PE – Utilities Engineer  
 Subject: Evaluation of Proposals for RFP 2324-31  
 Municipal Solid Waste (MSW) and Processing of Recycling Commodities

office memorandum

**BACKGROUND**

The Sanitation Division within the Utilities Department for the City of Norman is responsible for the collection and disposal of municipal solid waste (MSW) and for the collection and processing of recyclable commodities for City of Norman residential and non-residential customers. Recycling availability is dependent on the type of service and location.

For solid waste, collection is completed by City staff who then hauls the materials to the transfer station. The waste is then loaded into a larger truck for hauling and disposal at the Republic Landfill located just north of Interstate 240 in accordance with the amendment to Contract 1819-45 approved by Norman Municipal Authority on April 24, 2023.

For commingled recycling commodities, curbside residential service is currently contracted with Republic Services under amendment to Contract 1819-76 for both collection and processing. Commercial and drop-center recycling is collected by City staff and the materials are hauled to Smurfit Kappa for their processing and marketing under Contract K-2021-122.

Municipal solid waste and recycling are both nearing their contract expiration. As such, Request for Proposal (RFP) 2324-31 was issued on May 3, 2024. The original proposal only included disposal of municipal solid waste but was amended and reissued on May 31, 2024, with recycling commodities as part of the RFP. By doing this, City staff were able to evaluate each vendor’s submittal to determine the best, comprehensive solution(s) for the City to most efficiently provide MSW and recycling services to our customers. Potential proposers were not required to submit on all aspects but could submit on the proposed service(s) matching their business line(s).

**DISCUSSION**

On June 20, 2024, five proposals were received with vendors submitting on the items shown in Table 1.

<b>Table 1 – Proposal Summary</b>			
<b>Proposer</b>	<b>MSW Disposal</b>	<b>Comingled Recycling</b>	<b>Commercial / Drop-Center Recycling</b>
Republic Services	X		
Smurfit Kappa Recycling			X
Waste Connections	X	X*	
Waste Corporation of Oklahoma, LLC (WCA)	X		
Waste Management	X	X	X

*\*Conditional based on receiving contract for MSW*

## Municipal Solid Waste

Four vendors submitted for the disposal of MSW. Key information from their proposals are shown in Table 2.

<b>Table 2 – Disposal Key Proposal Information</b>				
<b>Proposer</b>	<b>Disposal Cost (\$/Ton)*</b>	<b>Distance to Facility (miles – one-way)</b>	<b>Annual Cost Increase</b>	<b>Landfill Methane Recovery</b>
Republic Services	\$22.91	18.7	4.50%	X
Waste Connections	\$21.75	30	CPI-U Garbage**	X
Waste Corporation of Oklahoma, LLC (WCA)	\$17.25	46	Not specified	
Waste Management	\$21.00	28.4	CPI-U Garbage**	X
*Includes DEQ mandated fee of \$1.25 per ton.				
**Historic average used for analysis is 3.97%.				

Additionally, all proposals met the requirements for:

1. Access roads
2. References
3. Landfill life
4. Scales
5. Hours of Operation

To evaluate the MSW disposal options, other factors that were consistent for all vendors needed to be included and are documented as follows:

1. Cost per Hour of Truck Time - \$110
2. Days for Hauling – 300 days per year
3. Total Tonnage per Year – 120,000 tons
4. Tons per Truck – 18 tons per load
5. Firm Number of Trucks – 5
6. Drop Turnaround Time per Load – 15 minutes
7. Average Speed – 40 miles per hour
8. Loads originate from City of Norman Transfer Station at 3900 Chautauqua

Based on this information, Table 3 includes the estimated operating costs for disposal and hauling for each location for the initial year and the total over a five-year period.

<b>Table 3 – Estimated Disposal Operating Costs</b>		
<b>Proposer</b>	<b>MSW Disposal Operating Costs – Initial Year</b>	<b>MSW Disposal Operating Costs – Five Years</b>
Republic Services	\$3,618,200.00	\$19,794,121.93
Waste Connections	\$3,893,333.33	\$21,074,910.15
Waste Corporation of Oklahoma, LLC (WCA)*	\$3,940,000.00	\$21,327,520.38
Waste Management	\$3,744,666.67	\$20,270,166.15
*Requires additional 2 trucks for landfill hauling.		

On solely the MSW disposal, the lowest cost option is the Republic Services Landfill. However, recycling options need to be factored in for the Sanitation Division to make the best comprehensive solution.

**Comingled Recycling Processing**

Two vendors submitted for the disposal of MSW. Key information from their proposals are shown in Table 4.

<b>Table 4 – Comingled Recycling Key Proposal Information</b>			
<b>Proposer</b>	<b>Processing Cost (\$/Ton)</b>	<b>Distance to Facility (miles – one-way)</b>	<b>Annual Cost Increase</b>
Waste Connections*	\$65.00	14.8	CPI-U Garbage***
Waste Management	\$105.00**	25.7	CPI-U Garbage***
*Proposal subject to receiving award of MSW disposal. **Firm price received on July 3, 2024 after initial proposal submittal. ***Historic average used for analysis is 3.97%.			

To evaluate the comingled recycling processing, other factors that were consistent for all vendors needed to be included and are documented as follows:

1. Cost per Hour of Truck Time - \$110
2. Days for Hauling – 300 days per year
3. Total Tonnage per Year – 5,000 tons
4. Tons per Truck – 5.5 tons per load
5. Firm Number of Trucks – 3
6. Drop Turnaround Time per Load – 20 minutes
7. Average Speed – 40 miles per hour
8. Loads originating from Norman offices at 225 N Webster since trucks will go directly to facility from routes.

<b>Table 5 – Comingled Recycling Processing Operating Costs</b>		
<b>Proposer</b>	<b>Comingled Recycling Hauling and Processing Costs – Initial Year</b>	<b>Comingled Recycling Hauling and Processing Costs – Five Years</b>
Waste Connections	\$432,333.33	\$2,340,253.29
Waste Management	\$686,833.33	\$3,717,881.20

Waste Connections is the lowest cost option for hauling and processing of comingled recycling commodities but their proposal is contingent upon the award of MSW disposal in combination. As such, MSW disposal and comingled recycling must be evaluated together.

**Combined Costs for MSW Disposal and Comingled Recycling Hauling and Processing**

To evaluate MSW disposal and comingled recycling processing together, we have to put a combined portfolio together for the vendors. Waste Management was the only vendor to propose processing comingled recycling separate from MSW disposal so Republic and WCA, which didn't submit for recycling, will have the Waste Management costs attached to their disposal costs for a comprehensive portfolio. Therefore, Tables 6 and 7 show the estimated program costs for the initial year and five-year totals, respectively.

<b>Table 6 – Combined Initial Year Disposal and Comingled Recycling Processing Operating Costs</b>			
<b>Proposer</b>	<b>MSW Disposal Operating Costs</b>	<b>Comingled Recycling Hauling and Processing Costs</b>	<b>Total</b>
Republic Services*	\$3,618,200.00	\$686,833.33	\$4,305,033.33
Waste Connections	\$3,893,333.33	\$432,333.33	\$4,325,666.67
Waste Corporation of Oklahoma, LLC (WCA)*	\$3,940,000.00	\$686,833.33	\$4,626,833.33
Waste Management	\$3,744,666.67	\$686,833.33	\$4,431,500.00

\*Recycling through Waste Management.

<b>Table 7 - Combined Total Contract Disposal and Comingled Recycling Processing Operating Costs</b>			
<b>Proposer</b>	<b>MSW Disposal Operating Costs</b>	<b>Comingled Recycling Hauling and Processing Costs</b>	<b>Total</b>
Republic Services*	\$19,794,121.93	\$3,717,881.20	\$23,512,003.13
Waste Connections	\$21,074,910.15	\$2,340,253.29	\$23,415,163.45
Waste Corporation of Oklahoma, LLC (WCA)*	\$21,327,520.38	\$3,717,881.20	\$25,045,401.57
Waste Management	\$20,270,166.15	\$3,717,881.20	\$23,988,047.35

\*Recycling through Waste Management.

With the *Quality of Physical Facility* and *Past Experience / References* scored the same across various proposers, cost becomes the deciding factor for the selection making Waste Connections for MSW disposal and comingled recycling the best option for the City of Norman.

### Drop-Center / Commercial Recycling

Two vendors submitted for drop-center / commercial recycling with key information in Table 8.

<b>Table 8 – Drop-Center and Commercial Key Proposal Information</b>								
<b>Proposer</b>	<b>Processing Fees by Material</b>					<b>Other Factors</b>		
	<b>Aluminum</b>	<b>Plastics</b>	<b>Steel Cans</b>	<b>Mixed Paper</b>	<b>Cardboard</b>	<b>Commodity Share Percentage</b>	<b>Distance to Facility (miles – one-way)</b>	<b>Annual Increase Method</b>
Smurfit Kappa	\$100.00	\$60.00	\$60.00	\$20.00	\$20.00	100%	14.8	
Waste Management	\$127.50	\$127.50	\$127.50	\$127.50	\$45.00	80%*	25.7	CPI-U Garbage

\*100% share for Cardboard.

Since drop-center and commercial recycling were submitted as separate within the proposals, their evaluation was not considered in the MSW disposal or comingled recycling. A detailed analysis was not deemed necessary for this evaluation

since the processing costs for each material from Smurfit Kappa were lower and the facility is closer to Norman. Therefore, Smurfit Kappa was determined to still be the best option for the City of Norman.

**SUMMARY**

Staff recommends proceeding with contracting with Waste Connections for MSW disposal and comingled recycling processing and with Smurfit Kappa for Drop-Center / Commercial recycling.