



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 07/23/2024

REQUESTER: Nathan Madenwald, Utilities Engineer

PRESENTER: Nathan Madenwald, Utilities Engineer

ITEM TITLE: CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2425-27: A CONTRACT BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND WASTE CONNECTIONS OF OKLAHOMA, INC., DBA AS OKLAHOMA CITY WASTE DISPOSAL INC., TO PROVIDE SOLID WASTE DISPOSAL AND COMMINGLED RECYCLING PROCESSING SERVICES FOR THE CITY OF NORMAN THROUGH AUGUST 31, 2029.

BACKGROUND:

The Sanitation Department for the City of Norman collects approximately 120,000 tons per year of municipal solid waste from residential and commercial customers within the City of Norman and hauls the waste to a permitted facility for disposal, as required by permits issued by the Oklahoma Department of Environmental Quality. The current amended agreement for landfill disposal under Contract K-1819-45 expires on August 31, 2024.

For commingled recycling commodities, curbside residential service is currently contracted with Republic Services under amendment to Contract 1819-76 for both collection and processing, with the current amendment to expire on July 30, 2024. On August 1, 2024, Sanitation staff will be responsible for the collection of commingled recyclable commodities from residential customers, and will haul the materials to a vendor for processing and marketing the materials for beneficial reuse. 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.

Request for Proposal (RFP) 2324-31 was issued on May 3, 2024. The original proposal only included disposal of 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 solid waste disposal 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:

Five proposals were received and staff completed a thorough review of the proposals in accordance with RFP 2324-31. Attached to this item is a memo summarizing the evaluation completed by staff since other factors besides disposal and processing cost needed to be evaluated to determine the best options for disposal and recycling. Based on the evaluation, the following selections were determined to be the best alternatives for disposal and recycling:

1. Waste Connections of Oklahoma, Inc., dba Oklahoma City Waste Disposal, Inc. (Waste Connections), submitted the best comprehensive portfolio for municipal solid waste disposal and commingled recyclable commodity processing; and
2. Smurfit Kappa for commercial and drop-center recycling (by separate agreement and agenda item).

For solid waste disposal, Waste Connections operates a permitted Subtitle D sanitary landfill at 7600 SW 15th Street, Oklahoma City, OK that utilizes a methane recovery system. For comingled recycling processing, Waste Connections has subcontracted with Smurfit Kappa located at 7216 S. Bryant Avenue, Oklahoma City, which will receive and bale comingled recycling commodities for transport by Waste Connections to their Material Recovery Facility in Hutchison, Kansas.

Costs for disposal and processing will be annually updated using the Consumer Price Index specific for Garbage. The following are the costs for the initial year of the agreement:

1. Solid waste disposal - \$20.50 per ton plus \$1.25 per ton for the Oklahoma Department of Environmental Quality flow fee with estimated annual disposal cost of \$2,610,000.
2. Comingled recycling processing - \$65.00 per ton with the estimated annual recycling processing cost of \$325,000.

Funding for solid waste disposal is budgeted annually from Refuse Tipping (Account 33955163 44331) in the amount of \$3,125,052. Funding for comingled recycling is budgeted annually from Other Business Service (Account 33955166 44199) in the amount of \$1,620,000. Disposal services will start on September 1, 2024, and comingled recycling services will start on August 1, 2024.

RECOMMENDATION:

Staff recommends that Norman Municipal Authority approve Contract K-2425-27 with Waste Connections of Oklahoma, Inc., dba Oklahoma City Waste Disposal, Inc., for the Solid Waste Disposal and Commingled Recycling Processing services through August 31, 2029.