



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: K-1415-133**

**File ID:** K-1415-133

**Type:** Contract

**Status:** Agenda Ready

**Version:** 4

**Reference:** Item 28

**In Control:** City Council

**Department:** Utilities Department

**Cost:**

**File Created:** 05/05/2015

**File Name:** Solid Waste Disposal Agreement 2015-2018

**Final Action:**

**Title:** CONTRACT K-1415-133: A CONTRACT BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND OKLAHOMA CITY LANDFILL, L.L.C. D/B/A SOUTHEAST (OKC) LANDFILL TO PROVIDE SOLID WASTE DISPOSAL SERVICES FOR A PERIOD OF THREE YEARS.

**Notes:** ACTION NEEDED: Acting as the Norman Municipal Authority, motion to approve or reject Contract K-1415-133 with Oklahoma City Landfill d/b/a Southeast (OKC) Landfill for a period of three years; and, if approved, authorize the execution thereof.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 05/26/2015

**Agenda Number:** 28

**Attachments:** K-1415-133, Cost Comparison,  
WasteConnectionsLFRouting

**Project Manager:** Bret Scovill, Solid Waste Manager

**Entered by:** bret.scovill@normanok.gov

**Effective Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
---------------	--------------	-------	---------	----------	-----------	-----------------	---------

### Text of Legislative File K-1415-133

Body

**BACKGROUND:** Recently the contract with Oklahoma City Landfill LLC d/b/a Southeast (OKC) Landfill for disposal of solid waste at the landfill expired and the contract was temporarily extended. A request for disposal was developed; advertised, and potential vendors were notified as is reasonable and customary. The request for proposal is attached.

**DISCUSSION:** Proposals were received from Waste Connections and Southeast (OKC) Landfill. The Waste Connections landfill is located southeast of Chickasha near Alex. The Southeast Landfill is located in the vicinity of 70th and S. Bryant in southeast Oklahoma City. Proposals were reviewed and ranked according to the following criteria: Lowest Disposal/Transfer Cost, Cost of Transportation and Time, Quality of Physical Facility (accessibility, scales, etc), Past Experience, and Location of Firm.

Although the tipping fees in the Waste Connections proposal are lower, the location of the Waste Connections landfill present challenges that ultimately add to the cost. Currently, the Sanitation Division utilizes four transfer trucks (large tractor-trailer trucks) to make, on average, 11 trips each day from the transfer station to the

landfill. There are four assigned drivers, and six trucks. One truck is constantly in rotation to cover preventive maintenance schedules, and due to fleet age, preventative maintenance requires considerable downtime. The Southeast Landfill is approximately 19 miles one way from the Transfer Station. Each trip to the Southeast Landfill takes one hour. Conversely, the Waste Connections Landfill is approximately 39 miles one way from the Transfer Station. If the Waste Connections proposal was chosen, each trip to the landfill would take an additional hour, for a total of 11 additional operating hours per day.

If the Waste Connections proposal is chosen, it is estimated that an additional two pull trucks and one additional driver (develop one older truck as a backup, one additional route truck, and one upgrade) would be necessary to maintain current operational capacity. The estimate to purchase the additional two trucks and hire an additional driver for the three year term of the contract is \$586,000; \$200,000 per truck and \$62,000 per year for the driver including salary, overtime and benefits.

Additionally, if the Waste Connections proposal was chosen, Sanitation transfer trucks would travel through the City of Blanchard, and the City of Alex, in close proximity to schools during busy traffic hours. There is an additional concern that one third of each trip would be on narrow two lane blacktop with rural bridges. The route map is attached. Conversely, the current route to the Oklahoma City Landfill is primarily along I-35.

Finally, although Staff did not enter into contract negotiations with Waste Connections, its representative indicated its intention to negotiate annual tipping fee increases likely based on Consumer Price Index (CPI) increases. The tipping fee for the Southeast Landfill is \$19.55 per ton in Year One, \$20.10 per ton in Year Two, and \$20.66 per ton in Year Three. The Waste Connections tipping fee contained in its proposal is \$13.50 per ton. Assuming an average annual CPI increase of 2.5%, the tipping fee would increase to \$13.84 per ton in Year Two, and \$14.18 per ton in Year Three. The three year cost estimate for the Southeast Landfill is \$5,548,520. Assuming additional operational, capital and staffing costs as well as an annual tipping fee increase of 2.5%, the Waste Connections three year cost estimate is \$5,784,987.

**RECOMMENDATION:** Staff recommends accepting the Southeast Landfill contract despite having a higher tipping fee because of the operational and capital costs associated with the Waste Connections proposal. The overall increase in landfill fees (Tipping fee) per ton is 3.8% over the current contract rate in year one (over the current contract rate), 2.7% in year two, and 2.8% in year three.

Disposal expense is logged in account number 033-5563-432.43-31. The diversion of recyclables from the waste stream is helping keep the increase in landfill costs in moderation. At this time there is no need to increase the FYE 2016 budget to accommodate the increase in landfill costs proposed by Southeast Landfill.