



# City of Norman, OK

Municipal Building Council  
Chambers  
201 West Gray Street  
Norman, OK 73069

## Text File

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### Title

CONTRACT K-1213-180: A CONTRACT BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND ALLIED WASTE SYSTEMS, INC. TO PROVIDE RESIDENTIAL CURBSIDE RECYCLING COLLECTION SERVICES.

### Body

**BACKGROUND:** The City began offering curbside recycling service after Norman voters approved an additional mandatory \$3 rate for the new service in 2007. The initial contract (K-0708-101; approved October 23, 2007) for the service was with Waste Management of Oklahoma and included weekly pickup of an eighteen (18) gallon bin of recyclables from single-family dwellings in urban Norman only. Recyclables under the contract with Waste Management include newsprint, magazines, office and mixed paper, phonebooks, soda bottles, aluminum, steel and tin cans, glass bottles, and #1-7 plastics. Cardboard products, including corrugated cardboard, chipboard, and boxboard are not acceptable recyclables under the 2007 contract with Waste Management. Under the 2007 contract, recyclables were to be separated into two streams by the Contractor as the recyclables were collected at the curb ("dual-stream").

Six months prior to the expiration of the contract with Waste Management, staff began putting together a Request for Proposal (RFP) for curbside recycling service with the goal of providing the Council/Norman Municipal Authority Trustees (NMA) with options for other scenarios previously not considered to be viable. Request for Proposal RFP-1213-57 was issued on November 30, 2012 and allowed for proposals on four different options. The options included:

- Dual-stream weekly pickup from single-family dwellings in urban Norman with transportation to and processing of recyclables;
- Single-stream bi-weekly pickup from single-family dwellings in urban Norman with transportation to and processing of recyclables;
- Single-stream bi-weekly pickup for multi-family dwellings in urban Norman with transportation to and processing of recyclables; and
- Provision of a Materials Recovery Facility (MRF) for processing and marketing of recyclables collected and delivered by City of Norman personnel.

In addition, the RFP allowed for the proposers to specify which recyclables could be accommodated under each scenario. Staff received proposals from two outside providers - Republic/Allied Waste and Waste Management. In addition, staff prepared a proposal for the City to provide recycling service in-house. The proposals were reviewed by the NMA/Council at a Council Conference on January 22, 2013 and again at a Study Session on February 5, 2013. Staff was directed to proceed with contract negotiations with Republic/Allied Waste for single-stream, bi-weekly pickup of 95-gallon polycarts.

**DESCRIPTION:** City Council/NMA has on numerous occasions expressed concerns and given direction related to better addressing customer service in the new recycling contract. Staff looked at recycling RFP's and contracts from other cities and also relied heavily on the Recycling Contract Negotiation Guidebook completed by R.W. Beck, Inc. for the North Central Texas Council of Governments. These materials were helpful in drafting contractual provisions that would ensure clear expectations by all parties, and clear consequences for failure to meet such expectations.

Contract K-1213-180 with Allied Waste Systems, Inc. ("Contractor") sets forth the obligations for recycling pickup. As directed, it calls for single stream biweekly pickup of recyclables. Norman Municipal

Authority (NMA) will purchase and provide 95-gallon, lidded and wheeled polycarts for this service. Materials that can be recycled under this Contract include the items our customers are able to recycle at the curbside now (aluminum, steel and tin cans, newspaper and newspaper inserts, magazines, catalogs, all junk mail and envelopes, office and school paper, phone books, glass bottles and jars, plastic milk jugs, and plastics labeled No. 1 through No. 7) as well as cardboard, cereal and cracker type boxes, paper milk cartons and plastic bags. Allied Waste/Republic anticipates needing a 4-month lead time to order the equipment and fully staff for the new service; the City needs about two months to finance and order polycarts. If Contract No. K-1213-180 is approved on March 26, 2013, Allied Waste will order the necessary equipment and service under the contract will begin Monday, August 5, 2013.

It should be noted that the 2007 contract with Waste Management for recycling service expired on February 28, 2013. Waste Management has agreed to continue to provide the service through the end of March, but so far, has been unwilling to commit to continue to provide the service through the end of July. A letter from the Waste Management's Public Sector Solutions Manager, Doug Sims, is included with this item. Mr. Sims has expressed a willingness to work with the City through any transition period to the biweekly service if the new contract is awarded to Waste Management or if the City opts to provide biweekly service itself, but feels that consideration of a transition period is premature until the City decides to award the contract. Given Waste Management's unwillingness to commit to service during the interim period, Staff approached Allied Waste about whether they would be willing and able to provide weekly curbside pickup of the 18 gallon containers until we transition to the biweekly polycart pickup. Allied Waste has indicated a willingness to allocate their resources and provide this service during the transition period. Staff is working on finalizing the details with them should Waste Management decide not to continue the existing service through August 2, 2013.

The cost for collection, transportation and processing is set forth in Section IV of the proposed Contract. Although collection from only single family dwellings is anticipated at this time, the Contract preserves the option to add service to multi-family dwellings at any point during the contract term for the rates proposed by the Contractor. The Contractor has also agreed to provide, at no charge, sufficient recycling containers and collection service at least once per week at a number of City facilities and Norman schools (Section IV.C.). The Contractor has also agreed to make available up to 100 event boxes for recycling at community events at no cost to the Authority (Section IV.D.). The Contractor has the ability under the Contract to request imposition of a Fuel Recovery Fee should an unforeseen increase in fuel costs arise that materially increases the operational overhead of the Contractor. The Fee cannot exceed three percent (3%) of the rate and cannot be imposed for a term greater than 3 months. Any decision by the Authority to deny imposition of the fee shall be deemed final under the Contract.

#### Operational Obligations (Section V)

The operational obligations are designed to not only make clear what the Authority's expectations are, but also to employ a system whereby customer service issues can be identified and addressed more efficiently. The Contractor will employ single stream collection every other week ("bi-weekly") on schedules and routes to be dictated by the Authority. The Contractor will follow the same schedule for observed holidays on which there is no regular sanitation service provided. Each collection vehicle is required to be equipped with at least one broom and one shovel to be used in the event material is spilled or blown about during the course of collection and/or hauling.

In addition to the basic operational obligations already discussed, Section V also requires that the Contractor follow specific procedures related to education. If a resident sets out unacceptable waste, i.e. items that cannot be recycled, or leaves items on the curb but not in the cart, or positions the cart incorrectly, the Contractor will be required to collect the materials that can be recycled and leave an education tag that will indicate acceptable materials for recycling and acceptable preparation and placement of the cart. The Contractor will keep a record of all educational tag notifications. The Contractor will also be required to publish and distribute education flyers on at least an annual basis at its cost. The initial welcome packet marketing material will be distributed with the polycarts and additional materials may be in the form of flyers, notices or door hangers.

Section V also sets forth customer service obligations of the Contractor. In case of customer complaints, the Contractor must have an office in the metropolitan area staffed to receive such complaints during collection hours. The Authority will forward any complaints it receives to the Contractor as well. All

complaints must be logged. The log must include the nature of the complaints, the names, addresses and contact numbers of the complainants, the date and time received, the Contractor's response, and the date and time of the response. All complaint information will be submitted to the Authority in a monthly report. This log system will enable the Authority to identify potential problems related to customer service and address them as they arise.

If a complaint is made regarding missed service before Noon on a scheduled working day, the Contractor must return to the complaint address and complete the collection the same day. If the report is made after Noon on a scheduled working day, the Contractor must return to the complaint address no later than Noon the following day to complete collection. If the Contractor is unable to finish service on the assigned day, they must notify the Authority and report which route areas were not completed; the reason for non-completion; and the expected time of completion, on a daily basis.

#### Performance Assurances (Section VI)

As referenced above, the Contractor will be required to keep and submit certain records on a monthly basis and on an annual basis, culminating at a meeting with Utilities Department staff on at least an annual basis to discuss any issues with the recycling service and recommendations for improvement. The monthly report will include the following information for the previous month:

- Participation rate
- Average weight of recyclable materials per container
- Total quantities of recyclable materials collection, by material type
- Net quantities of recyclable materials marketed, by material type
- Quantities of process residuals disposed
- Recycling Service fee (based upon contracted price per household)
- Log of all complaints and related information
- Log of all resident addresses where education tags were left because of unacceptable materials set out for recycling

In addition to the monthly reports, the Contractor will provide annual reports that include the following information for the previous year:

- Total quantities of recyclable materials collected in Norman
- Net quantities of recyclable materials marketed, by material type
- Quantities of process residuals (non-recyclables) disposed
- Disposal location of process residuals
- Materials composition analysis
- Average participation rate and set-out rate
- Recommendations for improvement to the recycling program

The NMA has the right under the Contract to audit the records of the Contractor to ensure accurate data is being provided. Additionally, the Authority may inspect the Contractor's equipment and facilities that are used in connection with its service in Norman.

#### Contract Enforcement and Remedies (Section VIII)

Section VIII authorizes the NMA to withhold payment to the Contractor if the Contractor fails to fulfill its obligations as follows:

- Failure to respond to legitimate service complaints within 24 hours in a reasonable and professional manner - \$50 per incident
- Failure to collect properly notified missed Collections - \$250 per incident
- Failure to provide monthly and annual reports - \$100 per incident
- Failure to complete the Collections within the specified timeframes without proper notice to the Authority - \$100 per incident
- Failure to clean up from spills during Collection operations - \$250 per incident
- Failure to report on changes in location of Recyclable Materials processing operations - \$250 per

incident

- Failure to provide written description of the means to estimate relative amount of Process Residuals derived from the Authority's recyclables on the monthly reports - \$100 per incident
- Changing the Collection and Processing systems prior to receiving NMA approval to implement any such change - \$500
- Failure to conduct and report results of the annual composition analysis - \$100 per incident.

Additionally, either Party may terminate the contract if the other party fails to fulfill its obligations or otherwise violates the terms of the agreement and failures to correct such violation within 60 days.

**RECOMMENDATION**: Staff recommends approval of Contract K-1213-180.