



Legislation Details (With Text)

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Title: CONTRACT K-1819-76: BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND ALLIED WASTE SYSTEMS, INC., A DELAWARE CORPORATION, D/B/A REPUBLIC SERVICES OF OKLAHOMA CITY TO PROVIDE RESIDENTIAL CURBSIDE RECYCLING SERVICES FOR THE CITY OF NORMAN THROUGH AUGUST 31, 2023.

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BACKGROUND: The City of Norman, through the Norman Municipal Authority (NMA), began offering curbside recycling service after Norman voters approved an additional mandatory \$3 per month rate in May 2007 for the new service. The initial 5-year contract (K-0708-104) was with Waste Management of Oklahoma, Inc. dba WM Recycle America. Recycling started January 1, 2008 and included weekly collection of an eighteen (18) gallon tub of recyclable materials from single family dwellings in urban Norman. Contract K-0708-104 was extended through August 5, 2013.

Recyclables included newsprint, magazines, office and mixed paper, phonebooks, plastic soda bottles, aluminum, steel and tin cans, glass bottles, and #1 through #7 plastic. Cardboard products, including corrugated cardboard, chipboard, and boxboard were not acceptable. Recyclables were separated into two streams (containers and papers) by the contractor at the curb (referred to as 'dual-stream' recycling).

On November 30, 2012, Request for Proposal (RFP) 1213-57 was issued for a Comprehensive Recycling Program which included additional options for curbside recycling. Vendors were allowed to provide proposals for continuing dual stream recycling on a weekly basis, or to provide "single stream" recycling every other week. Two proposals were received, and reviewed by NMA staff and at two Council Conferences. Staff was directed to proceed with contract negotiations with Republic Services/Allied Waste using single-stream, bi-weekly collection of recyclables stored in 95 gallon polycarts. On March 26, 2013, the NMA approved Contract K-1213-180 with Allied Waste Systems, Inc.

In order to maintain the voter approved mandatory recycling rate of \$3 per month, the Sanitation Division opted to purchase the blue, 95 gallon polycarts through a five year revenue bond. The revenue bond has since been retired; however, the Sanitation Division must continue to purchase replacement and new polycarts for customers. Contract K-1213-180 started in August 2013 after delivery of the new polycarts; recyclables being collected now included the previously excluded cardboard products. The contract was for a 5-year term ending in August 2018.

DISCUSSION: On March 6, 2018, Request for Proposal (RFP) 1718-53 was issued for Residential Curbside Recycling Services dated March 6, 2018 for a period of five years and potential vendors were notified. Residential recycling services would continue to be provided using single-stream, bi-weekly collection of recyclables stored in NMA supplied 95 gallon blue polycarts.

Two vendors responded; Waste Management of Oklahoma, Inc. (WM) and Republic Services (Republic). WM had the lowest monthly fee of \$3.05 per residential unit; about 1.6% less than Republic's fee of \$3.10 for the first year. However, Republic offered a significant reduction in the monthly recycling fee (14.5% or \$0.45 per unit) if both the residential curbside recycling and the landfill disposal agreements were approved concurrently. As discussed in the agenda item for the landfill disposal contract, Republic's Southeast Landfill disposal fee was only slightly lower than Waste Management's disposal fee but Republic's disposal agreement is significantly more attractive when considering the cost of transporting solid waste to the landfill.

It is in the best interest of the NMA to accept and approve both the curbside recycling and the landfill disposal agreements from Republic Services. The annual rates proposed in the residential household recycling agreement are:

- Year 1: \$2.65 per unit
- Year 2: \$2.73 per unit
- Year 3: \$2.82 per unit
- Year 4: \$2.91 per unit
- Year 5: \$2.99 per unit

It should be noted that the value of many recyclable materials has decreased substantially in recent months. The lack of a market for these recyclables is reflected in the 25% increase in the monthly fee; the previous curbside household recycling rate was \$2.12 per unit per month. Recycling expenses are tracked in Other Business Services (account 033-5566-432.41-99).

RECOMMENDATION: Staff recommends that the NMA approve Contract K-1819-76 for residential curbside recycling with Allied Waste Systems, Inc., dba Republic Services of Oklahoma City.