



Legislation Text

File #: K-1819-77, **Version:** 1

CONTRACT K-1819-77: BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND OKLAHOMA CITY LANDFILL, L.L.C. D/B/A SOUTHEAST (OKC) LANDFILL TO PROVIDE SHARED REVENUES FROM THE SALE OF LANDFILL GAS IN CONJUNCTION WITH SOLID WASTE DISPOSAL SERVICES FOR THE CITY OF NORMAN.

BACKGROUND: The City of Norman produces about 90,000 tons of municipal solid waste (MSW) per year that is hauled to and disposed at an Oklahoma Department of Environmental Quality (ODEQ) permitted landfill pursuant to Environmental Protection Agency (EPA) Subtitle D regulations. As municipal solid waste decomposes in a landfill it generates gas, often referred to as landfill gas. This gas consists mostly of methane, carbon dioxide, oxygen and nitrogen.

On May 1, 2018 proposals for solid waste disposal services were received from vendors representing five landfill disposal locations. Proposals were reviewed, compared and ranked and the Southeast Landfill proposal prepared by Republic Services was selected. NMA staff, under a separate agenda item, has recommended that the NMA approve Contract K-1819-45 with Oklahoma City Landfill, L.L.C. d/b/a Southeast (OKC) Landfill for solid waste disposal services through August 2023. This landfill gas revenue sharing agreement is only valid if the NMA approves the disposal agreement.

DISCUSSION: City of Norman MSW is currently disposed at the Southeast Landfill located at 7001 South Bryant in Oklahoma City. The Southeast Landfill is the largest landfill in the metro area and has built an extensive facility to capture, clean and sell the gas collected. Since the City of Norman/NMA is one of the largest contributors of MSW to the landfill, Southeast Landfill offered to share a portion of their revenues from the sale of the landfill gas.

If Southeast Landfill receives revenues of at least \$500,000 during the contract year from the sale of landfill gas, it agrees to pay the NMA the greater of \$20,000 or up to 25% of the revenues based on the percentage of Norman's total MSW delivered divided by the total MSW received at the landfill during that contract year. Southeast Landfill agrees to pay the City the amount due within 30 days after the end of the applicable contract year.

Revenues would be deposited in the Sanitation Fund, Sale of Landfill Gas (account 033-0000-366.11-77).

RECOMMENDATION: Staff recommends that the NMA approve the Landfill Gas Revenue Sharing agreement (Contract K-1819-77) with Oklahoma City Landfill L.L.C. d/b/a Southeast (OKC) Landfill.