



Legislation Text

File #: K-2021-122, **Version:** 1

CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF BID-2021-41, CONTRACT K 2021-122 BY AND BETWEEN THE NORMAN MUNICIPAL AUTHORITY AND SMURFIT KAPPA FOR THE PROCESSING AND MARKETING OF RECYCLED PRODUCTS FROM THE NORMAN RECYCLING COLLECTION CENTERS

BACKGROUND: The City of Norman recycles approximately 9 tons of aluminum, 100 tons of plastic, 23 tons of steel cans, 250 tons of mixed office paper, 1,200 tons of cardboard, and 110 tons of newspaper, totaling about 1,700 tons each year at its regional recycling centers and through the commercial cardboard program. The Sanitation Division is in charge of collecting and delivering recyclable material to a processing facility that is capable of weighing, recording, reporting, and processing payments for the recycled material, in addition to transporting the material to the end market. Past recycling contracts have expired so the City must bid and award a new contract.

Marketing the recycled material requires a contractor to use a market index price in order to insure the Norman Municipal Authority (NMA) receives the best possible price for their recycled material. Each month the contractor will send NMA a summary of all recycled commodity dropped off by the City, indication of index price used, and total net revenue the City will receive for that month.

DISCUSSION: The Invitation to Bid for Bid 2021-41 for the Processing and Marketing of Recycled Products from Norman Recycling Collection Centers was published in the Norman Transcript on March 18 and March 25, 2021. Bids were opened on April 8, 2021, and three contractors submitted bids. The bids represented the cost for the respective bidder to process and market the materials. The net revenues to the NMA were calculated using the bids and the most recent market indices and taking into consideration transportation costs. Net revenues to the NMA ranged from \$6,800 to \$71,000. Smurfit Kappa provided the bid that resulted in the largest net revenue to the City; therefore, staff recommends award to Smurfit Kappa. Bid results and calculations are shown in the attached Bid Analysis Memo.

The contract will start on June 1, 2021 after NMA approval of the contract and will continue for 1 year. After 1 year, the contract may be extended up to 4, 1-year terms with written notice to the Contractor 30 days prior to expiration of the current term.

RECOMMENDATION: Staff recommends the NMA accept bids meeting project specifications; award Bid 2021-41 to Smurfit Kappa for the Processing and Marketing of Recycled Products from Norman Recycling Collection Centers; and approve Contract K-2021-122.