



City of Broken Arrow

Legislation Details (With Text)

File #: 16-1264 **Name:**
Type: General Business **Status:** Passed
File created: 10/12/2016 **In control:** Broken Arrow Municipal Authority
On agenda: 10/18/2016 **Final action:** 10/18/2016
Title: Consideration, discussion, and possible approval of and authorization to execute an agreement between the Broken Arrow Municipal Authority (BAMA) and the Covanta Tulsa Renewable Energy, LLC (Covanta) for the disposal of residential refuse and energy recovery at the Covanta Energy from Waste Plant

Sponsors:

Indexes:

Code sections:

Attachments: 1. covanta contract partial sign, 2. covanta Sanitation letter 10-11-16-FINAL 003, 3. Covanta letter to City of Tulsa CPI Index Confirmation 2016 - 2017, 4. Stats for covanta WM comparison

| Date | Ver. | Action By | Action | Result |
|------------|------|----------------------------------|----------|--------|
| 10/18/2016 | 1 | Broken Arrow Municipal Authority | approved | Pass |

**Broken Arrow Municipal Authority
Meeting of 10-18-2016**

To: Chairman and Authority Members
From: General Services Department
Title:

Consideration, discussion, and possible approval of and authorization to execute an agreement between the Broken Arrow Municipal Authority (BAMA) and the Covanta Tulsa Renewable Energy, LLC (Covanta) for the disposal of residential refuse and energy recovery at the Covanta Energy from Waste Plant

Background:

On December 1, 2006, the Broken Arrow Municipal Authority (BAMA) entered into a contract with Waste Management for disposal of the City's residential solid waste. The Waste Management contract is set to expire November 30, 2016 and staff has been working to establish new agreements for waste disposal that are more environmentally friendly and that satisfies our waste disposal needs.

There are only three locations in this area where the City can dispose of the residential refuse it collects from our customers. The locations are:

- Waste Management Landfill located in Tulsa off 46th North
- Covanta Energy from Waste (EfW) Plant located in West Tulsa
- American Environmental Landfill located west of Sands Springs

Considering the locations of the three available disposal options, only two are close enough for us to consider, Waste Management Landfill and the Covanta Waste to Energy Plant.

In consideration of these locations the following factors were taken into account:

- Cost

- Distance to site
- Fuel costs
- Accident exposure in getting to the site
- Travel time to the site (distance and traffic)
- Tipping fees
- Tipping wait times
- Turnpike fees
- Citizen access for Free Dump Day services
- Are additional crews needed?

The tipping fees at Covanta are based on the agreement between Covanta and the Tulsa Authority for Recovery of Energy (TARE). In that agreement, the same pricing and terms are extended to area communities under separate agreements between Covanta and the community. In addition to substantially less tipping fees than our current fees at the landfill, disposing waste with Covanta is environmentally friendly and is a responsible alternative to landfill disposal. Furthermore, the EfW Plant reduces the volume of waste to be disposed of in a sustainable manner while generating valuable renewable energy resulting in a net reduction of greenhouse gas emissions when compared to conventional landfill practices. For these reasons, staff recommends approving the agreement with Covanta for the disposal of residential refuse. The Agreement shall commence as of December 1, 2016, and shall remain in effect until June 20, 2022. After this initial term, TARE may renew the agreement for two (2) additional two (2) years terms, upon which BAMA may elect to renew same.

As Covanta's EfW Plant is not conducive to being able to hold our citizen free dump days and cannot accept certain non-processable items such as large furniture, appliances, etc., a separate contract for landfill disposal will be required. These non-processable items will be collected by our crews under our existing bulky waste pick up program and transported to the landfill. Cost associated with bulky pick up services will not change.

Upon approval of this contract the Staff will advise all customers of this change through the attached correspondence. Staff recommends the agreement be approved.

Cost: \$490,000 annually or \$12.24 per ton , including state fees (Based on a projected 40,000 tons of refuse to be collected in Fiscal Year 2017)

Prepared By: Lee Zirk, General Services Department

Reviewed By: Finance Department
Assistant City Manager- Administration
Legal Department

Approved By: Michael L. Spurgeon, City Manager

Attachments: Covanta/BAMA agreement
Letter informing customers of change in disposal locations
TARE/Covanta price confirmation
Waste Management/Covanta cost comparison

Recommendation:

Approve the agreement between The Broken Arrow Municipal Authority and Covanta Tulsa Renewable Energy, LLC and authorize its execution