

CITY OF BETHLEHEM
INTER-DEPARTMENTAL CORRESPONDENCE

SUBJECT: Request for Approval by City Council of Contract Award or Contract Price Increase Pursuant to City Ordinance, Article 121.05 (a)

Project or Contract Reference: Bid No. 2010-01, "Removal, Transportation and Disposal of Drinking Water Treatment Plant Residuals"

TO: City Council, all members, and Council Solicitor

FROM: Edward J. Boscola, P.E., Department Head, Water & Sewer Resources

DATE: January 2, 2015

On behalf of the Administration, pursuant to City Ordinances, Article 121.05, I request City Council's approval of the following recommendation of the referenced contract award or price increase.

- Check Type of Contract or Change:

The contract is for over \$50,000 and required to be bid under the Third Class City Code. We have advertised the above referenced project and received qualified bids. We recommend award of the contract to the bidder identified and for the reasons stated below.

The recommendation is for a price increase of 10% or more for an existing contract over \$50,000 that was previously bid and awarded under the Third Class City Code.

The contract is for the engagement of professional services. We have received and reviewed a proposal or proposals for professional services in connection with above referenced project or requirement for professional services. We recommend award of the contract.

- Is the contract appropriation or price increase included in this year's budget? yes no
- Identify contract funding sources (general fund, grants, loans, etc.....):
Water Fund Operating Budget – Water Filtration – 20016-42047 – Department Contracts
- The name and address of the recommended Contractor/Vendor/Professional Service Provider/Lowest Responsible Bidder are:
CUSTOM AG SERVICE
327 Stackstown Road
Marietta, Pennsylvania 17547

- Term of contract or estimated completion date, subject to standard extensions:
Contract Amendment No. 4 for calendar year 2015.

- Description of project or scope of services to be provided:
Remove, load and haul all water, residuals, grit, scum and debris from the water treatment plant lagoon, including disposal by land application, permitting and analytical costs. Also includes rinsing off baffle skirts and leveling the stone lining on the bottom of the lagoon.

- State the actual or estimated price to the City or the proposed Department budget allowance for the initial term; and state payment rate per unit of service if applicable:
This contract was publicly bid and was initially entered into for a 3 year period (calendar years 2010, 2011 and 2012) with the option to renew the contract for five (5) additional one (1) year terms with the mutual consent of the vendor.
The actual price for the initial term for 2010, 2011 and 2012 was \$295,320 at a cost of \$0.069 per gallon. The actual price for 2013 and 2014 renewals was \$195,960. The estimated price for 2015 renewal shall be \$109,500.

- Number of renewal term options and duration of each renewal, if any:
The number of renewal terms is five (5) one (1) year renewal term options and the duration of renewal is one (1) renewal per calendar year. This contract was renewed twice in years 2013 and 2014.

- Maximum dollar value of all renewals provided for beyond the original term as if all renewals were exercised:
The actual cost for renewals 1 & 2 for calendar years 2013 and 2014 was \$195,960.
The maximum dollar value for renewals 3, 4, & 5 for calendar years 2015, 2016 and 2017 based upon a renewal increase of no greater than 3% per year is \$337,500. The actual cost will vary based on the actual annual % renewal increase and the total number of gallons of residuals removed from the lagoon.

- Reasons for recommendation of Administration and Council approval of contract:
Low bidder when initially bid in 2010. The Department of Water & Sewer Resources recommends exercising the renewal options allowed.

Please approve this recommendation by passing the accompanying resolution. A vote of final approval is requested at the first City Council agenda listing of this matter.

By:  Department Head

Copies To: Mayor
Director of Administration
Director of Budget and Finance
Law Bureau
Purchasing Bureau
Controller

Attachment: proposed resolution

RESOLUTION NO. _____

Authorization for Contract or Amendment under Article 121.05(a)

BE IT RESOLVED by the Council of the City of Bethlehem that the Mayor and the Controller and/or such other City officials as deemed appropriate by the City Solicitor, are hereby authorized to execute a Contract or Amendment and such other agreements and documents as are deemed by the City Solicitor to be necessary and/or related thereto, with the following named contractor, for the uses and purposes indicated in the supporting Recommendation of Award of Bid or Contract dated January 2, 2015:

1. Name of Contractor: CUSTOM AG SERVICE
2. Project or Contract Reference: Bid No. 2010-01, "Removal, Transportation and Disposal of Drinking Water Treatment Plant Residuals".

Sponsored by _____

ADOPTED by Council this _____ day of _____, 20__.

President of Council

ATTEST:

City Clerk