

CITY OF BETHLEHEM
INTER-DEPARTMENTAL CORRESPONDENCE

SUBJECT: Request for Approval by City Council of Contract Award or Contract Pursuant to City Ordinance, Article 121.05 (a)
Project or Contract Reference: Transportation of Curbside Recycling

TO: City Council, all members, and Council Solicitor

FROM: Michael Conway, Director of Recycling

DATE: 04/12/2016

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:

 X 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? X yes no
- Identify contract funding sources (general fund, grants, loans, etc.....):

Account # 0307-42060

- The name and address of the recommended Contractor/Vendor/Professional Service Provider/Lowest Responsible Bidder are:

Cogle's Recycling, Inc.
1000 S 4th St
Hamburg PA 19526

- Term of contract or estimated completion date, subject to standard extensions:

May 1, 2016 through April 30, 2019

- Description of project or scope of services to be provided:

Transportation of recycling from the compost center to an approved recycling center where it will be processed for market.

- 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:

Actual pricing varies based on market conditions. The current market is low, with paper sales being approximately \$50 per ton and commingled recycling sales being approximately \$75 per ton. Using current market conditions, proposals ranged from \$78,710 to \$555,760.

Based on current market conditions the lowest cost to the city is \$78,710 per fiscal year or \$6,559 per month. This proposal was provided by Cogle's Recycling. Cogle's has further guaranteed floor pricing on commodities meaning that Bethlehem will be assured of at least \$10 per ton profit for both paper and comingled recycling.

The cost evaluation takes into account transportation, sale of product on market and fees associated with the sales.

Number of renewal term options and duration of each renewal, if any: 5 (1) year extensions

- Maximum dollar value of all renewals provided for beyond the original term as if all renewals were exercised:

\$ 629,680

- Reasons for recommendation of Administration and Council approval of contract:

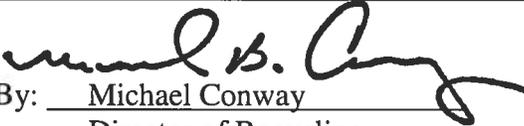
City released a Request for Proposals on PennBid and received four responses. Responses were from Suburban Waste, Cogle's, Re-Community and JP Mascaro.

The proposals were evaluated by a 4 person committee who reviewed the proposals based on cost and technical merit. All four proposals came from organizations that are licensed haulers in the State of Pennsylvania. The Committee evaluated the pricing assuming and current market conditions. Of the four companies only one provided the city with floor pricing on sale of commodities.

Cogle's was found to have the lowest price using current market conditions. Further Cogle's has long standing relationship with the city and a willingness to provide floor prices.

It is our recommendation that the City move forward with awarding the contract to Cogle's Recycling

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: Michael Conway
Director of Recycling

Copies To: Mayor
Law Bureau
Controller

J. D. Jones