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: 2026 46 Linden Street Two-Way Conversion Construction Contract

TO: City Council, all members, and Council Solicitor

FROM: Michael Alkhal, P.E., Director of Public Works

DATE: November 10, 2026

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 a proposal for professional services in connection with above referenced project.

- 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…..):

  Federal/State 69999-662035

- The name and address of the recommended Contractor/Professional Service Provider:

  Grace Industries, Inc
  7171 Airport Road
  Bath, PA 18014

- Term of contract or estimated completion date, subject to standard extensions: December 31, 2027
- Description of project or scope of services to be provided:

  This project will convert Linden Street to two-way traffic between Church Street and E Fairview Street to provide increased access to businesses and a safer environment for pedestrians and traffic. This project also includes upgrading all ADA ramps, traffic signals, and the complete resurfacing of Linden Street within the scope of the project.

- 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:

  $1,306,132.61

- Number of renewal term options and duration of each renewal, if any: N/A

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

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

  The Pennsylvania Department of Transportation publicly advertised the project and solicited bids via their ECMS system. Five bids of $1,306,132.61, $1,331,849.35, $1,454,646.00, $1,478,243.50, and $1,561,094.80 were received. It is recommended to award the project to Grace Industries, Inc. as they were the lowest and most responsive qualified bidder and have successfully completed multiple projects for the city in recent years.

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: _____
Title: Director of Public Works

Copies To: Mayor
Director of Administration
Director of Budget and Finance
Law Bureau
Procurement Bureau
Controller
Project Manager

Attachment: Proposed Resolution

RESOLUTION NO. 2026-____

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.

1. Name of Contractor: Grace Industries, Inc.

2. Project or Contract Reference: 2026 46 Linden Street Two-Way Conversion Construction

Sponsored by: /s/ _____

_____

ADOPTED by Council this _____ day of _____, 2026.

/s/ _____
President of Council

ATTEST:

/s/ _____
City Clerk