

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 22R Removal, Transportation, and Disposal of Drinking Water Treatment Plant Residuals

TO: City Council, all members, and Council Solicitor

FROM: Stephen Pallone, Superintendent of Water Supply and Treatment

DATE: 6/23/2026

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

2026 Water Operating Budget

- Identify contract funding sources (general fund, grants, loans, etc.....):

Account # 20016-42047

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

Custom AG Services, LLC
327 Stackstown Road
Marietta, PA 17547

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

The contract will run from the Notice to Proceed until December 31, 2027

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

Removal, loading, transporting and disposal by land application of all water, residuals, grit and debris from one of the two water treatment plant residuals lagoons annually including required analyses and documentation.

- 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:

2026 - \$0.14/gallon x 1,500,000 gallons (est.) = \$206,250.00

2027 – \$0.14/gallon x 1,500,000 gallons (est.) = \$206,250.00

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

After the initial two (2) year contract the City has the option to renew for six (6) additional one (1) year terms with mutual consent of the vendor and City.

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

\$1,650,000 (estimate assuming no price increase).

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

Four (4) bids were received for this project. Custom AG Services, LLC is the lowest responsible bidder. Custom AG Services, LLC has performed this work for the city for the last twenty (20) plus 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.



Department Head

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: Custom Ag Services, LLC
2. Project or Contract Reference: 2026 22R Removal, Transportation, and Disposal of Drinking Water Treatment Plant Residuals

Sponsored by: /s/ _____

ADOPTED by Council this _____ day of _____, 2026.

/s/ _____
President of Council

ATTEST:

/s/ _____
City Clerk