

Lower Paxton Township

2023 MSW & RECYCLING BIDS REVIEW
4/11/2023



Current Contract:

- Hauler: Waste Management
- Term: 7/2/2018 – 7/1/2023
- 2023 Quarterly Rate: \$66.39/Unit
- 2023 Quarterly Rate, Per Container: \$8.15/Unit
- 2023 Quarterly Rate, Per Container, Leaf Waste: \$3.50/Unit

NEW CONTRACTS:

- Broken into two different contracts: MSW/Leaf-Bulk Waste & Recycling
- RFB timeline
 - Initial Issued: February 13
 - Addenda 1 Issued: February 20
 - Addenda 2 Issued: February 13
 - Pre-Submission Conference: March 1
 - Bids Due/Opened: March 27
- Per Section 3102 of the PA Second Class Township Code, Township does not get to choose = “Lowest, Responsible Bidder”.
- Noticeable departures from current contract (Lowest Responsible Bidder)
 - Two separate contracts
 - 96-gallon totes (MSW & Recycling)*, “Automated Collection”
 - Bulk-item collection must be pre-scheduled
 - Added penalties to contract for missed pick-ups, early starts, etc.





Bid Spec Considerations

- What's Driving Cost?
 - Pandemic-era employment landscape
 - Changing industry standards
 - Current hauler feedback
 - Manual collection
 - "Unlimited" leaf waste collection
 - "At will" bulk item collection
 - Individual billing
 - Dauphin County's MSW flow control system
 - \$93.79/ton



MSW, Leaf, & Bulk Waste Contract

- Bid Specs
 - Regular Collection: MSW Only; Automated; Township Billing; 3 Yr
 - Options 1 & 2 A: Manual Bulk Item and Leaf Waste
 - Option 3A: Automated Leaf Waste
 - Options 1, 2, & 3 B: Manual Bulk Item and Leaf Waste, 5 Yr & Automated Leaf Waste, 5 Yr
 - Option 4: Regular Collection 5 Yr: MSW Only; Automated; Twp Billing
 - Alt 1A & 1B: Manual Collection, 3 and 5 Yrs
 - Alt 2A & 2B: Individual Billing, 3 and 5 Yrs
 - Add. Item 1: Vehicle Fuel Adjustor
 - Add. Item 2: Dual Contract Discount



Recycling Contract

- Bid Specs
 - Regular Collection: Recycling; Automated; Township Billing; 3 Yr
 - Alt. 1: Automated Collection; 5 Yr
 - Alt. 2: Individual Billing; 3 Yr
 - Alt. 3: Individual Billing; 5 Yr
 - Alt. 4: Manual Collection; 3 Yr
 - Alt. 5: Manual Collection; 5 Yr
 - Add. Item 1: Vehicle Fuel Adjustor
 - Add. Item 2: Dual Contract Discount

Republic - MSW	Service	Total
	Base Bid (3 Yr)	No Bid
	Base Bid (5 Yr)	\$48,737,520
	Bulk Item (3 Yr)	No Bid
	Bulk Item (5 Yr)	\$3,784,095
	Leaf Waste (3 Yr) Automated	No Bid
	Leaf Waste (3 Yr) Manual	No Bid
	Leaf Waste (5 Yr) Automated	No Bid
	Leaf Waste (5 Yr) Manual	\$3,784,095
	Manual Collection (3 Yr)	No Bid
	Manual Collection (5 Yr)	No Bid
	Individual Billing (3 Yr)	No Bid
	Individual Billing (5 Yr)	No Bid

Waste Management - MSW	Service	Total
	Base Bid (3 Yr)	\$35,931,375
	Base Bid (5 Yr)	\$52,859,250
	Bulk Item (3 Yr)	No Bid
	Bulk Item (5 Yr)	No Bid
	Leaf Waste (3 Yr) Automated	No Bid
	Leaf Waste (3 Yr) Manual	\$1,774,890
	Leaf Waste (5 Yr) Automated	No Bid
	Leaf Waste (5 Yr) Manual	\$2,616,210
	Manual Collection (3 Yr)	No Bid
	Manual Collection (5 Yr)	No Bid
	Individual Billing (3 Yr)	No Bid
	Individual Billing (5 Yr)	No Bid

Penn Waste - MSW	Service	Total
	Base Bid (3 Yr)	\$29,617,785
	Base Bid (5 Yr)	\$41,333,535
	Bulk Item (3 Yr)	\$1,452,015
	Bulk Item (5 Yr)	\$2,027,655
	Leaf Waste (3 Yr) Automated	No Bid
	Leaf Waste (3 Yr) Manual	\$1,452,015
	Leaf Waste (5 Yr) Automated	No Bid
	Leaf Waste (5 Yr) Manual	\$2,027,655
	Manual Collection (3 Yr)	No Bid
	Manual Collection (5 Yr)	No Bid
	Individual Billing (3 Yr)	\$5,535,000
	Individual Billing (5 Yr)	\$7,380,000

Republic - Recycle	Service	Total
	Base Bid (3 Yr)	No Bid
	Base Bid (5 Yr)	\$25,948,080
	Manual Collection (3 Yr)	No Bid
	Manual Collection (5 Yr)	No Bid
	Individual Billing (3 Yr)	No Bid
	Individual Billing (5 Yr)	No Bid

Waste Management - Recycle	Service	Total
	Base Bid (3 Yr)	\$24,047,730
	Base Bid (5 Yr)	\$35,381,565
	Manual Collection (3 Yr)	No Bid
	Manual Collection (5 Yr)	No Bid
	Individual Billing (3 Yr)	No Bid
	Individual Billing (5 Yr)	No Bid

Penn Waste - Recycle	Service	Total
	Base Bid (3 Yr)	\$18,055,170
	Base Bid (5 Yr)	\$25,202,700
	Manual Collection (3 Yr)	No Bid
	Manual Collection (5 Yr)	No Bid
	Individual Billing (3 Yr)	\$5,535,000
	Individual Billing (5 Yr)	\$7,380,000



“Lowest Responsible Bidder”

- Per Section 3102 of the PA Second Class Township Code, the Township must obtain bids for the purchase of materials, services, or contracts in excess of \$22,500. The Board must then award a contract to the “Lowest, Responsible Bidder”.
- Penn Waste is that “lowest, responsible bidder”. The Township cannot choose the hauler, we can only choose what level of service, or bid “option/alternate”.
- The following represents the quarterly per-customer charge before billing cost for the responding haulers:

Hauler	2023	2024	2025	2026	2027	2028	2029	2030
Penn	\$103.52	\$109.73	\$116.32	\$123.28	\$130.68	\$139.83	\$149.61	\$160.08
WM	\$140.97	\$149.43	\$158.40	\$171.06	\$184.74	\$203.25	\$223.56	\$245.94
Republic	\$130.35	\$139.47	\$149.25	\$159.69	\$170.88	\$182.82	\$195.66	\$209.34



Other Items to Remember

- **Billing:** With the “lowest responsible bid” costs as provided, this assumes the Township absorbs billing and customer service functions, in-house.
 - Staff recommends the Board consider an additional \$5/quarter “administrative fee”/unit to cover this additional in-house burden for which current operational capacity does not exist. This would still “save” rate-payers \$1.5 million each year in comparison to Penn Waste’s “individual billing” bid.
- **Bulk-Item:** With moving to an all-automated collection fleet, bulk-item collection services will now require a pre-scheduled arrangement with the hauler. While the service will still occur once a week per contract, residents will now have to either call the hauler or submit a pick-up request online to schedule a pick up.
- **Containers:** Each unit will receive two 96-gallon wheeled containers at the start of the contract. A 65-gallon container shall be made available to any individual resident upon request who does not want, cannot use or manage, or does not produce enough residential solid waste to fill a ninety-six (96) gallon wheeled container each week.



Township of Lower Paxton

Questions?