

EAST BERLIN BOROUGH COUNCIL
128 Water Street
East Berlin. PA 17316

July 27, 2009

A special meeting to open and potentially approve bids for refuse service in East Berlin Borough for the next two or three years was called to order at Borough Hall at 9:00 a.m. Any selected bid for service was to start effective October 1, 2009.

All Council Members were present; the Mayor and Borough Solicitor were absent. Also in attendance were Jon VanWyk, Edward Brown of Waste Management, Ken Young, Don Isabella of York Waste, and Frieda Lennon

Two bids were received by the Borough, one from Waste Management of Pennsylvania (Waste Management), and one from York Waste Disposal, a subsidiary of Republic Services (York Waste). The Borough had indicated bids should follow the provisions of Chapter 37 of the Borough Code, Garbage and Refuse. In addition, bidders were to consider as additional or reduced cost options the use of standardized residential refuse containers, recycling, rate adjustments for fuel cost, residential customer billing, and special collection options.

A. Shown below are the bids for Residential services.

The Bid of Waste Management:

Waste Management submitted a monthly three-year bid of \$15.03 for the first year, \$15.48 for the second year, and \$15.95 for the third year. No options were proposed.

The Bid of York Waste:

York Waste submitted a multi-tiered bid for continued collection as currently done, an option for York Waste to bill residents at \$3 higher, automated cart service at the same level as its current service proposal, recycling at \$3 higher than its proposed continuation of service, and automated cart service with recycling at \$3 higher than it proposed current service level. It did not propose a special collection option.

Neither Residential bid met the requested quarterly format for bids. Waste Management provided only a monthly bid; York Waste did not include the effect of its constructed inflation factor.

A comparison of the two bids was made by constructing comparable bids from the bid data provided. While not directly presented in tabular form at the meeting, that comparison is shown below:

	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Waste Management:			
Basic Service	\$45.09	\$46.44	\$47.85
York Waste:			
Basic Service	\$41.51	\$42.76	\$44.72

Considerable discussion followed, primarily dealing with the proposed variations of York Waste's bid. It was decided that the automated cart service is likely to be too cumbersome within the old Borough streets, and likely too heavy to move readily for many residents. The recycling option was extensively considered, but eventually discarded because of its \$3 additional cost per quarter. It was proposed that the citizenry be asked to vote on this issue for the next renewal. It was also noted that Borough residents can currently recycle aluminum and steel cans, and paper every third Thursday.

York Waste provided a cost escalation/reduction factor for fuel price changes, based upon the DOE's Central Atlantic price index for diesel fuel. Under this index, a three-cent increase or reduction in the price of diesel fuel from the adjusted base price would result in a 0.15 percentage point increase or reduction in the fuel inflation factor. (The current fuel inflation factor was applied to York Waste's base estimate to arrive at the proposal above.) Should fuel prices remain reasonably stable, York Waste's cost per residential customer should remain below Waste Management's.

B. For Commercial Customers:

The Borough currently has 22 Commercial customers, billed directly by the trash collector. The Borough has previously decided to have one common collector for all trash collection services. Dumpsters can be of varying sizes, the Borough's request was for a cost per cubic yard. Below are shown the proposals of Waste Management and the cost-adjusted proposal of York Waste.

	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Waste Management:	\$6.74	\$6.94	\$7.15
York Waste:	\$7.06	\$7.27	\$7.46

While slightly higher on a per yard basis for Commercial accounts (about \$0.30 per cubic yard), York Waste has a significantly better price for Residential accounts.

After some further discussion, a motion was made by Janet Bollinger to accept York Waste's bid for Residential and Commercial trash services for three years, seconded by Robert Clayton. Motion was approved with all in favor.

A motion was then made by Janet Bollinger to adjourn, seconded by Robert Clayton. Motion was approved with all in favor. Meeting was adjourned at 11:58.

Respectively submitted,

David Richards, President
East Berlin Borough Council