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**MEMORANDUM**

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**TO:** STEVE GIESBRECHT, BOROUGH MANAGER  
**FROM:** KARL HAGERMAN, PUBLIC WORKS DIRECTOR  
**SUBJECT:** RECYCLING COLLECTION SERVICES CONTRACT – AWARD RECOMMENDATION  
**DATE:** 3/13/2014  
**CC:** KATHY O'REAR, CLERK

The sanitation department recently advertised for competitive proposals for supplying the Borough with recycling collection services. The solicitation was published in the Petersburg Pilot for two weeks, on February 6<sup>th</sup> and 13<sup>th</sup>.

Four proposals were received by the deadline of March 3<sup>rd</sup>. An evaluation committee made up of public works staff evaluated the proposals according to the evaluation criteria published in the written Request for Proposals. The proposals were scored by the committee and the resulting ranking of proposals is as follows:

1. Ruger's Trucking, LLC
2. Petersburg Indian Association
3. Mitkof Trucking
4. Dark Horse Defense

The proposing companies were informed of the ranking and intent to award to the highest ranking proposer. Negotiations with the highest ranking company, Ruger's Trucking, were then initiated.

Based upon the increase in number of recycling customer sign ups during the RFP solicitation period, almost a 150 customer increase, the monthly amount that was negotiated for collection services is \$6,700. The contract period is proposed to start on April 1, 2014 and end on June 30, 2015 – a 15 month period. The total cost of the contract will be \$100,500. Three months of this contract will be funded from the present fiscal year's budget and will require a supplemental budget approval. The FY15 portion of the contract will be included in the sanitation department budget currently being developed.

While this cost is much higher than anticipated, I am still supportive of hiring a contractor to collect the recycling in Petersburg. The commingled program is still in its infancy, but it remains a program objective to continue to promote and increase local recycling so that solid waste diversion rates achieved will be high enough to offset the cost

of collection and then some. It is clear that the commingled program has been well received by a majority of our customers and many are just starting to realize the wide variety of materials they can place in the blue bags as opposed to their garbage cans. I remain confident that the achievable recycling rates targeted in the sanitation ordinance for the long term will ultimately show a marked benefit in cost savings to the utility and increased rate stability for our customers.

Over the course of the next year, data will be collected that will allow for prudent management decisions within the recycling program. Additional outreach may be needed to increase recycling rates. Future possibilities such as recycling carts and automated collection by Borough trucks may make more sense as the amount of recycling increases. It is important to let the program run and for the department to promote recycling as much as possible so that the concept of cost reduction through solid waste diversion can be proven and the benefits realized.

Public Works recommends award of the Recycling Collection Services contract to Ruger's Trucking LLC of Petersburg for a base contract amount of \$100,500. Please let me know if you have any questions.

Thank you for your consideration.