

ALLEGAN COUNTY HEALTH DEPARTMENT

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RE: Surcharge Subcommittee Minutes. January 25, 2011

This letter will explain the roll-off recycling bids that were received for the Resource Recovery Program on January 25th, 2011. On December 15, 2010, a request for proposal was sent to several waste hauling companies for this roll-off recycling bid. The proposal stated that the hauling company would have to provide roll-off recycling to eight different recycling stations that participate in the Allegan County Resource Recovery Program.

Members present: Gale Dugan, Eleanor Neilson, Max Thiele, Bill Hinz and Non Voting Member Ben Williams. Members absent: none

Others present were: Russ Boersma from Arrow Waste, Matt Biolette from Cheff Container, and Tom Mahoney from Republic Waste Services.

Official Bid open started at 4:00:

Specifications on the proposal were the following: Start up date of April 1, 2011, recycling container of approximately 30 yards in size, acceptable recycling material lists, sorting specifications for containers, picture of container, destination of recycling material, a monthly rental cost, price per service pull of container and a contaminated trash price. (See proposal for all specifications.) The bids are broken down by monthly rental fee and a cost of service pull. There is also information on a monthly comparative expense for 16 containers with a total of 64 service pulls which is a monthly average.

On January 25, 2011, Allegan County Resource Recovery received the following bids:

Bid #1: Cheff Container, LLC., Container size: 25yd with covered gable.

Rental Fee: \$38.00 per month per container. ($\$38.00 \times 16 = \608.00)

Price per service pull:

Year 1:	\$92.75	$(\$92.75 \times 64 = \$5,936.00 + \$608.00 = \6544.00 Monthly Cost)
Year 2:	\$95.50	$(\$95.50 \times 64 = \$6,112.00 + \$608.00 = \6720.00 Monthly Cost)
Year 3:	\$99.50	$(\$99.50 \times 64 = \$6,368.00 + \$608.00 = \6976.00 Monthly Cost)
Year 4:	\$105.50	$(\$105.50 \times 64 = \$6,752.00 + \$608.00 = \7360.00 Monthly Cost)
Year 5:	\$110.75	$(\$110.75 \times 64 = \$7,088.00 + \$608.00 = \7696.00 Monthly Cost)

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Year 1: Monthly Expense \$6544.00 X 12 Months = \$78,528 Yearly Cost
Year 2: Monthly Expense \$6720.00 X 12 Months = \$80,640 Yearly Cost
Year 3: Monthly Expense \$6976.00 X 12 Months = \$83,712 Yearly Cost
Year 4: Monthly Expense \$7360.00 X 12 Months = \$88,320 Yearly Cost
Year 5: Monthly Expense \$7696.00 X 12 Months = \$92,352 Yearly Cost
Total Contract Price = \$423,552.00

Bid #2: Republic/Allied Waste, Container size: 30yd covered.

Rental Fee: \$25.00 per month per container. (\$25.00 X 16 = \$400.00)

Price per service pull:

Year 1: \$123.81 (\$123.81X 64 = \$7,923.84+ \$400.00 = \$8323.84 Monthly Cost)
Year 2: \$128.76 (\$128.76X 64 = \$8,240.64+ \$400.00 = \$8640.64 Monthly Cost)
Year 3: \$133.91 (\$133.91X 64 = \$8,570.24+ \$400.00 = \$8970.24 Monthly Cost)
Year 4: \$139.27 (\$139.27X64 = \$8,913.28+ \$400.00 = \$9313.28 Monthly Cost)
Year 5: \$144.84 (\$144.84X64 = \$9,269.76 + \$400.00 = \$9669.76 Monthly Cost)

Year 1: Monthly Expense \$8323.84 X 12 Months = \$99,886.08 Yearly Cost
Year 2: Monthly Expense \$8640.64 X 12 Months = \$103,687.68 Yearly Cost
Year 3: Monthly Expense \$8970.24 X 12 Months = \$107,642.88 Yearly Cost
Year 4: Monthly Expense \$9313.28 X 12 Months = \$111,759.36 Yearly Cost
Year 5: Monthly Expense \$9669.76 X 12 Months = \$116,037.12 Yearly Cost
Total Contract Price = \$539,013.12 (\$115,461.12 over bid #1)

Bid #3: Arrow Waste Inc., Container size: 30yd covered.

Rental Fee: \$50.00 per month per container. (\$25.00 X 16 = \$800.00)

Price per service pull:

Year 1: \$125.00 (\$125.00X64 = \$8,000.00+ \$800.00 = \$8800.00 Monthly Cost)
Year 2: \$129.00 (\$129.00X64 = \$8,256.00+ \$800.00 = \$9056.00 Monthly Cost)
Year 3: \$133.00 (\$133.00X 64 = \$8,512.00+ \$800.00 = \$9312.00 Monthly Cost)
Year 4: \$137.00 (\$137.00X64 = \$8,768.00 + \$800.00 = \$9568.00 Monthly Cost)
Year 5: \$141.00 (\$141.00X64 = \$9,024.00+ \$800.00 = \$9824.00 Monthly Cost)

Year 1: Monthly Expense \$8800.00 X 12 Months = \$105,600.00 Yearly Cost
Year 2: Monthly Expense \$9056.00 X 12 Months = \$108,672.00 Yearly Cost
Year 3: Monthly Expense \$9312.00 X 12 Months = \$111,744.00 Yearly Cost
Year 4: Monthly Expense \$9568.00 X 12 Months = \$114,816.00 Yearly Cost
Year 5: Monthly Expense \$9824.00 X 12 Months = \$117,888.00 Yearly Cost
Total Contract Price = \$558,720.00 (\$135,168.00 over bid #1)

Gale Dugan had several questions regarding the size of the containers for Cheff Container. Matt Biolette explained that the recycling container was a 25 yard box with an enclosed gable. He also noted that if container is full, it would be equivalent to 30yards. Ben Williams had several concerns with the lids on Cheff's Containers. He recommended restricting some lids and to make smaller more convenient openings for consumers.

Max Thiele motioned to recommend accepting Bid #1: Cheff Container to the Allegan County Solid Waste Planning Chair, Gale Dugan seconded, all members present supported. The awarded recycling hauler will be receiving an acceptance letter from the Solid Waste Planning Chair.

Why Bid #1 was recommended.

The surcharge subcommittee would recommend accepting Bid #1 Cheff Container, LLC for the new five year contract for the following reasons.

1: This bid was the lowest bid submitted. This would be a cost savings to the Resource Recovery Program and will protect the longevity of the program.

2: Cheff Container is located in Allegan County and this contract would be supporting a local business. Cheff Container's business model is consistent with the County's Solid Waste Plan.

The Recycling Coordinator will continue working with Cheff Container on the design layout of their roll-off containers to ensure consumer convenience, safety and appearance.

If the Solid Waste Planning Committee accepts this bid, I will arrange a meeting with Cheff Container to discuss safety, transition process and contract specifications.

Please let me know if there are any other questions regarding these minutes.

Benjamin A. Williams
Allegan County Recycling Coordinator.