

8. Transfer Station wood piles contract - addendum

Please see the attached bid received from Marshall Grinding Inc. in response to the Town's RFP. This was the only bid received.

The amount of the bid is considerably higher than the amount paid last year (\$2,497) and budgeted for this year (\$2,750).

The Town Manager does not recommend accepting this bid. The Town Manager will meet with the bidder on October 3, 2014 to discuss the bid and possible options.

The Select Board could reject this bid and put the work out to bid again, possibly immediately or in the spring. The Board also could consider a negotiated contract option with the sole bidder.

If removal is delayed, the woodpiles will increase in volume and possibly cost to remove. The Town is allowed to keep wood on site up to two years if there is a plan to remove it.

.....
After meeting with the bidder on October 3, 2014, the Town Manager now **recommends accepting the bid** based on the following information and conditions:

The unit amount bid for clean wood is \$36/ton plus \$75/load for hauling (at an average of 12 tons per load). Combined, that would be about \$42.25/ton total. Last year the Town had 42 tons of clean wood hauled and 80 tons the year before. Taking the higher amount of 80 tons at the rate of \$42.25/ton would cost \$3,380. It's not certain how many tons of clean wood are on site now, but if there are 100 tons (which exceeds the amounts in each of the past two years), the cost would be \$4,225.

The unit amount bid for brush is \$2/ton payable to the Town as revenue. It's uncertain how many tons of brush are on site now, but in recent years there have been close to 200 tons and it could be near that amount again this year. This would generate \$400 in revenue from brush to offset the cost of removing clean wood.

Based on these estimates of \$4,225 to remove clean wood and \$400 in revenue from brush, the net cost for both would be \$3,825. The line item budgeted for the work is \$2,750. The difference would be \$1,075.

Marshall Grinding is willing to remove all the brush first and to calculate the revenue for the material. Then they would remove the clean wood, keeping track of the tons removed as they go. When the net cost approaches the available budget, Marshall could stop removing clean wood. If there appears to be only another load or two remaining, the Town could decide whether to remove that material and exceed the line item of \$2,750. Other Transfer Station budget lines could be used to offset the additional cost, or the carry forward line could be used at the end of the fiscal year if all Transfer Station operations exceed the bottom line budget. If the Town chooses to stay within the wood removal line item, any remaining material could stay on site and be removed in the next fiscal year when additional funds could be planned.

Three months or 25% into the fiscal year, Transfer Station costs overall are at 22.5% of budget while revenues (excluding Wayne's contributions) are at 25% of budget.