

Request for Proposals for Refuse and Recycling Utility Billing

Issued November 21, 2018

Responses Due: December 7, 2018

Municipality of Penn Hills
102 Duff Road
Penn Hills, PA 15235

Introduction and Background

The Municipality of Penn Hills is located in eastern Allegheny County, Pennsylvania. Penn Hills comprises approximately 19 square miles and is the largest municipality within the county, aside from the City of Pittsburgh. The most recent census information approximates the population of Penn Hills to be 42,000 residents. Penn Hills residents enjoy unlimited waste and recycling curb-side pickup. This service is funded by the municipality through its general operating budget. By contract, the municipality selects a single hauler to provide this service to its residents. Commercial, industrial and multi-family structures must procure waste services independently and are should not be considered as part of any proposal.

Penn Hills Municipality estimates there to be approximately 17,377 residential households. This figure is based entirely upon data received by two water and wastewater collection agencies that operate in Penn Hills. For the purposes of this proposal, the residential households that would be provided with service should be estimated to be 17,377.

In 2018, the Municipality sought proposals for hauling of garbage, rubbish and recycling. In September 2018, bids were solicited and opened by Penn Hills. On November 20, 2018, the Mayor and Council awarded a contracted to the Republic Services, the lowest responsible bidder who would perform hauling services for 2019-2021. The total cost of the hauling services to the municipality are:

2019: \$3,322,407

2020: \$3,455,304

2021: \$3,593,499

The above costs equated to a \$1 million increase in costs to the Municipality over the term of the agreement. As a result, the staff and elected officials of Penn Hills are considering several options to fund this service in 2019 and beyond. Some of the options include a general millage increase or a new residential billing system. The Municipality of Penn Hills will adopt its operating budget in late December, and should a discussion or consideration ensue about a desire for residential billing, proposals will be needed in order to provide realistic cost estimates for Council's consideration.

Under a residential billing system, the entire cost of the service, along with the administrative and billing costs would be netted out to the estimated number of residential customers in Penn Hills, either on a monthly or quarterly basis. This RFP is intended to determine the administrative and collection costs associated with collecting the above amounts in 2019-21.

Scope of Services

- Quarterly aging report that tells the municipality which accounts are past due
- Fast, predictable turn around – bills should be in the mail within the first five days of the beginning of each month.
- Real-time address correction – access to USPS Change of Address Database
- Disaster Recovery- Provide a plan or system for of recovery and/or duplication in case of data loss or emergency
- Customer Service: Capability to field calls from residents who are inquiring about their bill.

Services that Are Highly Desirable

- Online Bill Review and Online Payment Capability
- Customizable mailing capability i.e. ability to put informational inserts into the bills (provided by the municipality) with short turn around for newsletters, notices and other 1-time events.
- Provide return envelope to residents with each bill
- Delinquent Collection Capability
- Provide text-box message ability on each bill

Services Provided by the Municipality

- Access to water and wastewater customer information
- Access to listing/information about vacant units that should receive no bill

The proposals will be evaluated by a committee comprised of municipal employees. The proposals will be evaluated on the basis of experience with billing, qualifications, reasonableness and the cost of the service. A selection will be made by the committee and in the event the Municipality pursues a billing option, the selection will then be forwarded to the Mayor and Council for approval.

Proposal Instructions

1. Submitting Proposals. Proposals must include the signed front sheet, in a sealed envelope, with the words "Refuse Billing Proposal" clearly marked on the front. Proposals should be mailed or hand delivered to Municipality of Penn Hills, attn: Scott Andrejchak, Municipal Manager, 102 Duff Road, Penn Hills PA 15235. The Municipality is not responsible for misdirected proposals.
2. Alternatives. Any changes or alternatives provided in your proposal should be outlined in a cover letter.
3. Assignment. No assignment of this contract by the successful vendor can be initiated without prior approval by the Municipality.
4. Subcontractors. The proposal must indicate any subcontractors that will be used to perform the service.
5. Indemnification. The successful vendor will be obligated to indemnify the municipality against any and all claims arising out of the billing services.
6. Insurance. The successful vendor must carry liability and workers compensation insurance to a level and degree determined by the Municipality at the time of contract award.
7. Proposal Questions. Questions about the RFP should be directed to the Municipal Manager by email at sandrejchak@pennhills.org. Telephonic and verbal questions are allowed but discouraged.
8. Proposal Requirements. Proposals must be delivered in person or by mail on or before December 7, 2018 at 4:00PM. Proposers should send three (3) copies of their proposal to the above address. Electronic submissions are discouraged.
9. Contractual Conditions. Proposal must remain valid for sixty (60) days.
10. Term of Contract. The contract will be awarded for a term of one (1) year and allow for two (2) option years.

11. Cost of the Service. The vendor should provide a cost of the service for the entire three (3) year period. The Municipality is seeking a vendor to provide a cost for 2019 that will remain valid through 2021. There should be one cost of the service provided to the Municipality in the proposal that would remain valid in the event of a three (3) year contract.

12. Billing Frequency. Vendor should provide a cost to the Municipality that reflects a monthly bill. Alternatively, Vendor should provide a cost to the municipality that reflects a quarterly bill. The municipality will review the costs associated with each option and determine which billing frequency is most desirable.

Services to Be Provided by the Vendor

- Print or otherwise bill monthly or quarterly refuse services to the list of addresses provided by the Municipality.
- Provide quarterly report of delinquent accounts to the Municipality.
- Provide electronic reports to the Municipality