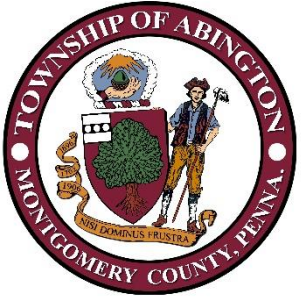
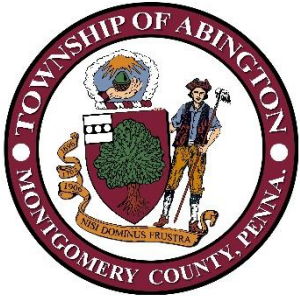




***WASTE DISPOSAL SERVICES
PRESENTATION AS PRESENTED TO THE
ABINGTON TOWNSHIP BOARD OF COMMISSIONERS
ON JULY 9, 2020***

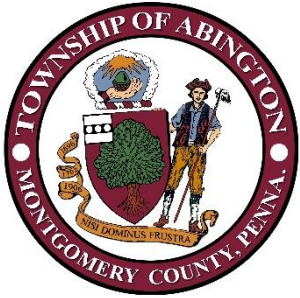


OVERVIEW



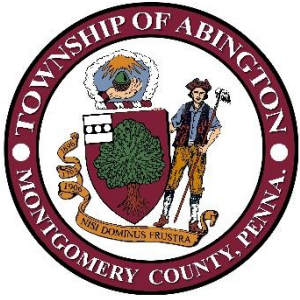
REQUEST FOR BIDS

- Bid Option 1 (BO1): Township hauls to outside facility
(Abington Transfer Station closes)
- Bid Option 2 (BO2): Successful bidder hauls to their facility and the Township operates Abington Transfer Station.
- Bid Option 3 (BO3): Successful bidder hauls to their facility and operates Abington Transfer Station
 - *Please note, no payment offered for lease of transfer station facility.*

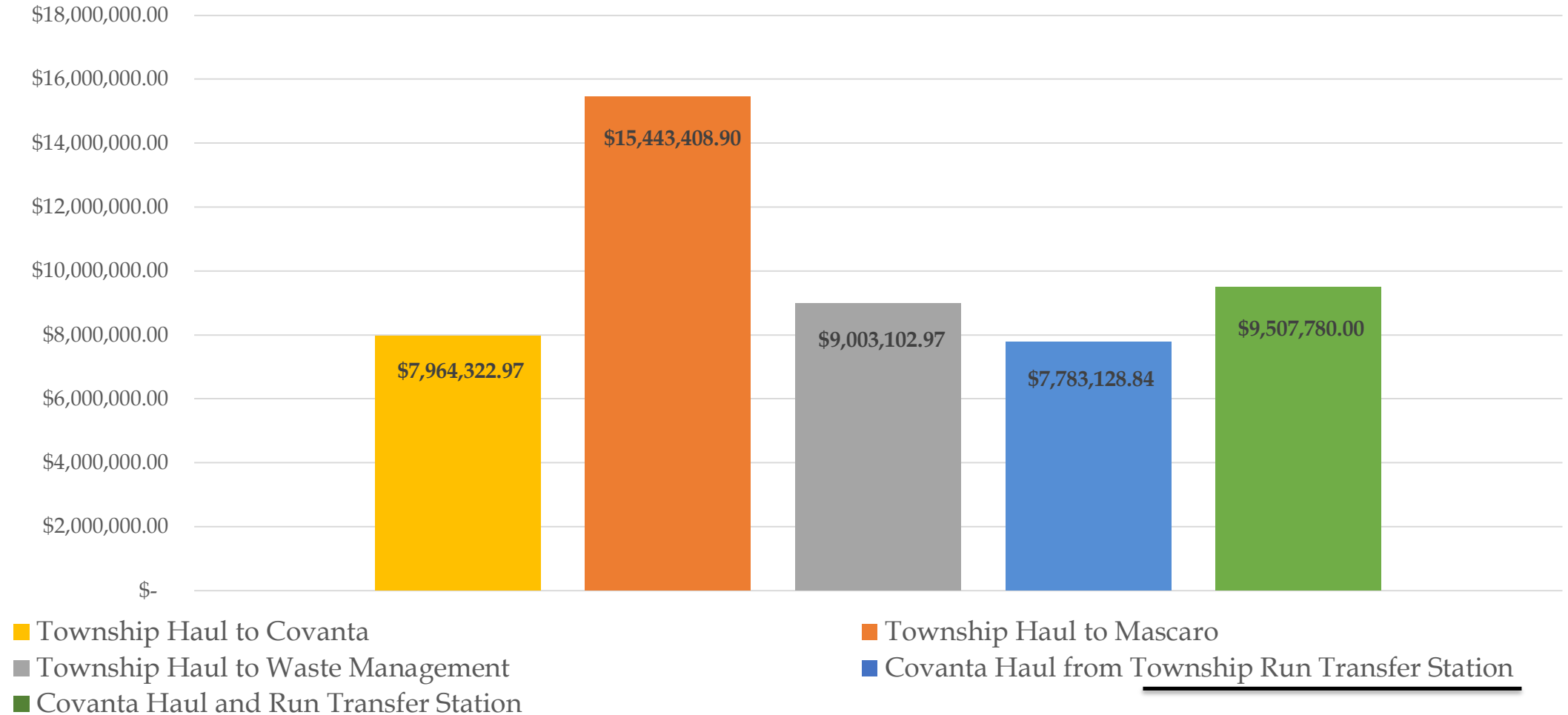


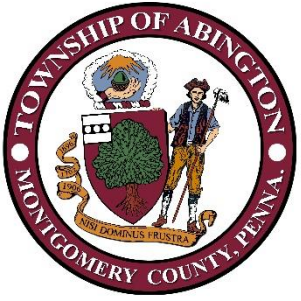
BACKGROUND

- Bid were received from three contractors: 1. Covanta, 2. Mascaro, and 3. Waste Management
 - 5 year contract with option for additional 3 year-term
- Current vendor is Covanta:
 - Covanta operates the Abington Transfer Station and hauls using their equipment to their facility.
 - The Township pays \$86.96 per ton as of January 1, 2020.
 - The current contract expires on July 31, 2020.

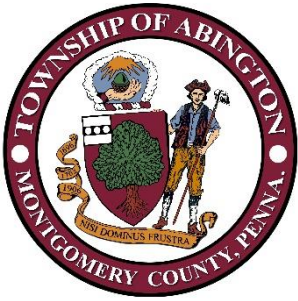


5 YEAR TOTAL COSTS BY BIDDER & BID TYPE





DETAIL



BO1: TOWNSHIP DIRECT HAUL COST PER TON BY BIDDER

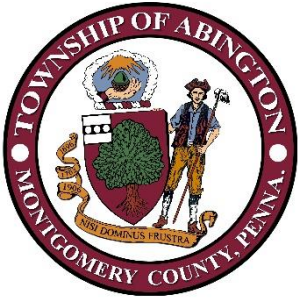
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Township Direct Haul to Covanta Facility	\$ 62.00	\$ 63.86	\$ 65.00	\$ 67.75	\$ 69.78
Township Direct Haul to Mascaro Facility	\$ 97.50	\$ 100.25	\$ 103.00	\$ 106.00	\$ 109.00
Township Direct Haul to Waste Management Facility	\$ 72.00	\$ 74.52	\$ 77.13	\$ 79.83	\$ 82.62

Three bids received

Please note additional considerations:

Additional Annual Costs:

- Fuel
- Vehicle Maintenance
- Staff Overtime
- Truck Replacement

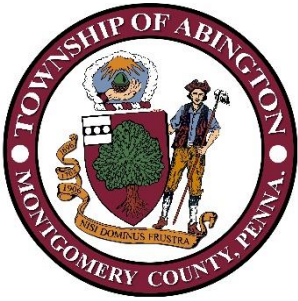


BO1: TOWNSHIP DIRECT HAUL

TOTAL BID AMOUNTS BY BIDDER

Contract Year	COVANTA		MASCARO		WASTE MANAGEMENT	
	Per Ton	Disposal Cost*	Per Ton	Disposal Cost*	Per Ton	Disposal Cost*
Year 1	\$ 62.00	\$ 1,116,000.00	\$ 97.50	\$ 1,755,000.00	\$ 72.00	\$ 1,296,000.00
Year 2	\$ 63.86	\$ 1,149,480.00	\$ 100.25	\$ 1,804,500.00	\$ 74.52	\$ 1,341,360.00
Year 3	\$ 65.00	\$ 1,170,000.00	\$ 103.00	\$ 1,854,000.00	\$ 77.13	\$ 1,388,340.00
Year 4	\$ 67.75	\$ 1,219,500.00	\$ 106.00	\$ 1,908,000.00	\$ 79.83	\$ 1,436,940.00
Year 5	\$ 69.78	\$ 1,256,040.00	\$ 109.00	\$ 1,962,000.00	\$ 82.62	\$ 1,487,160.00

* Based on an average of 18,000 tons a year.

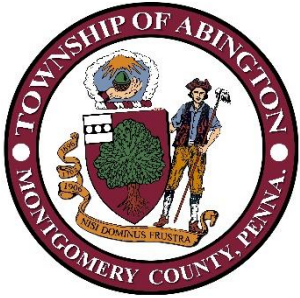


BO1: DIRECT HAUL

TOTAL ANNUAL COST; O&M AND VEHICLE REPLACEMENT

Contract Year	COVANTA		MASCARO		WASTE MANAGEMENT	
	Disposal Cost*	Twp Cost to Haul	Disposal Cost*	Twp Cost to Haul	Disposal Cost*	Twp Cost to Haul
Year 1	\$ 1,116,000.00	\$ 386,749.00	\$ 1,755,000.00	\$ 1,160,247.00	\$ 1,296,000.00	\$ 386,749.00
Year 2	\$ 1,149,480.00	\$ 398,351.47	\$ 1,804,500.00	\$ 1,195,054.41	\$ 1,341,360.00	\$ 398,351.47
Year 3	\$ 1,170,000.00	\$ 410,302.01	\$ 1,854,000.00	\$ 1,230,906.04	\$ 1,388,340.00	\$ 410,302.01
Year 4	\$ 1,219,500.00	\$ 422,611.07	\$ 1,908,000.00	\$ 1,267,833.22	\$ 1,436,940.00	\$ 422,611.07
Year 5	\$ 1,256,040.00	\$ 435,289.41	\$ 1,962,000.00	\$ 1,305,868.22	\$ 1,487,160.00	\$ 435,289.41
Total Cost		\$7,964,322.97		\$ 15,443,408.90		\$ 9,003,102.97

* Based on an average of 18,000 tons a year.



BO2: BIDDER HAULS AND TOWNSHIP OPERATES TRANSFER STATION

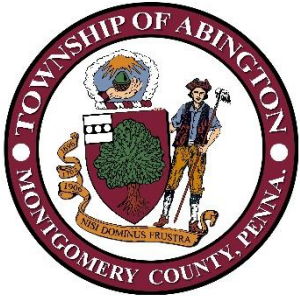
CONTRACT YEAR	PER TON	DISPOSAL COST*	TOWNSHIP COST TO RUN FACILITY	TOTAL COST
Year 1	\$ 70.50	\$ 1,269,000.00	\$ 196,900.00	\$ 1,465,900.00
Year 2	\$ 72.63	\$ 1,307,340.00	\$ 202,807.00	\$ 1,510,147.00
Year 3	\$ 74.80	\$ 1,346,400.00	\$ 208,891.21	\$ 1,555,291.21
Year 4	\$ 77.04	\$ 1,386,720.00	\$ 215,157.95	\$ 1,601,877.95
Year 5	\$ 79.35	\$ 1,428,300.00	\$ 221,612.68	\$ 1,649,912.68
5 Year Total				\$ 7,783,128.84

Covanta sole bidder

Additional annual costs:

- New employee to manage station
- Utilities
 - Water
 - Electric
- Maintenance
- Landscaping
- DEP Permits

* Based on an average of 18,000 tons a year.



BO3: BIDDER HAULS AND OPERATES TRANSFER STATION

CONTRACT YEAR	PER TON	DISPOSAL COST*	TOWNSHIP ADDITIONAL COST	TOTAL COST
Year 1	\$ 99.50	\$ 1,791,000.00	0	\$ 1,791,000.00
Year 2	\$ 102.49	\$ 1,844,820.00	0	\$ 1,844,820.00
Year 3	\$ 105.50	\$ 1,899,000.00	0	\$ 1,899,000.00
Year 4	\$ 108.73	\$ 1,957,140.00	0	\$ 1,957,140.00
Year 5	\$ 111.99	\$ 2,015,820.00	0	\$ 2,015,820.00
5 Year Total				\$ 9,507,780.00

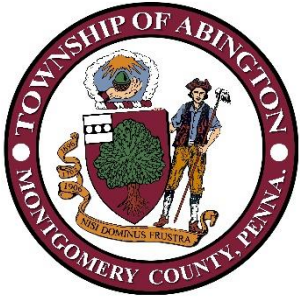
Covanta sole bidder

- No lease payment offered
 - Previously \$200,000 a year
- No merchant fee offered
 - Previously, \$5 per ton
 - Annual loss of \$160,000

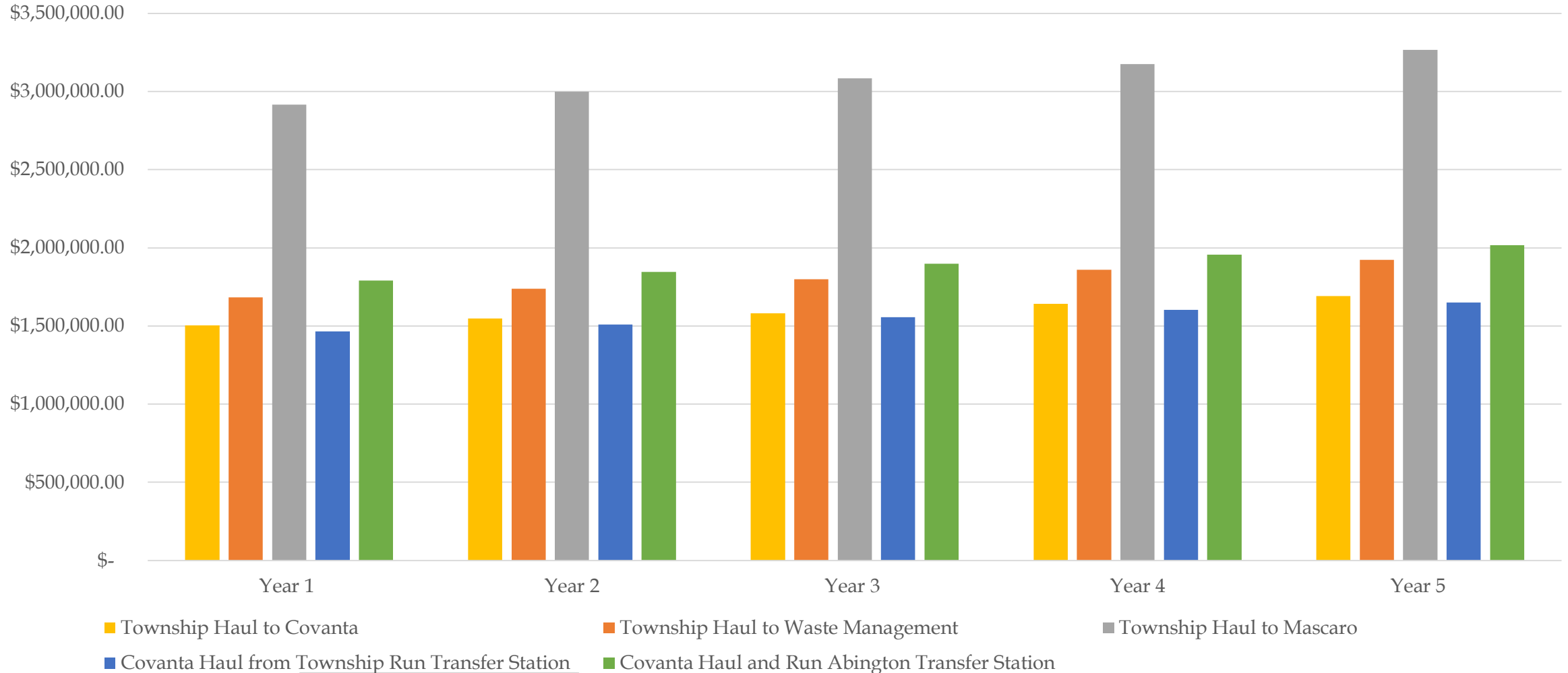
Additional annual costs:

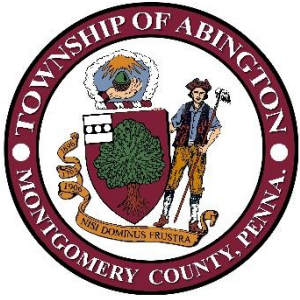
- None
- Current disposal process

* Based on an average of 18,000 tons a year.

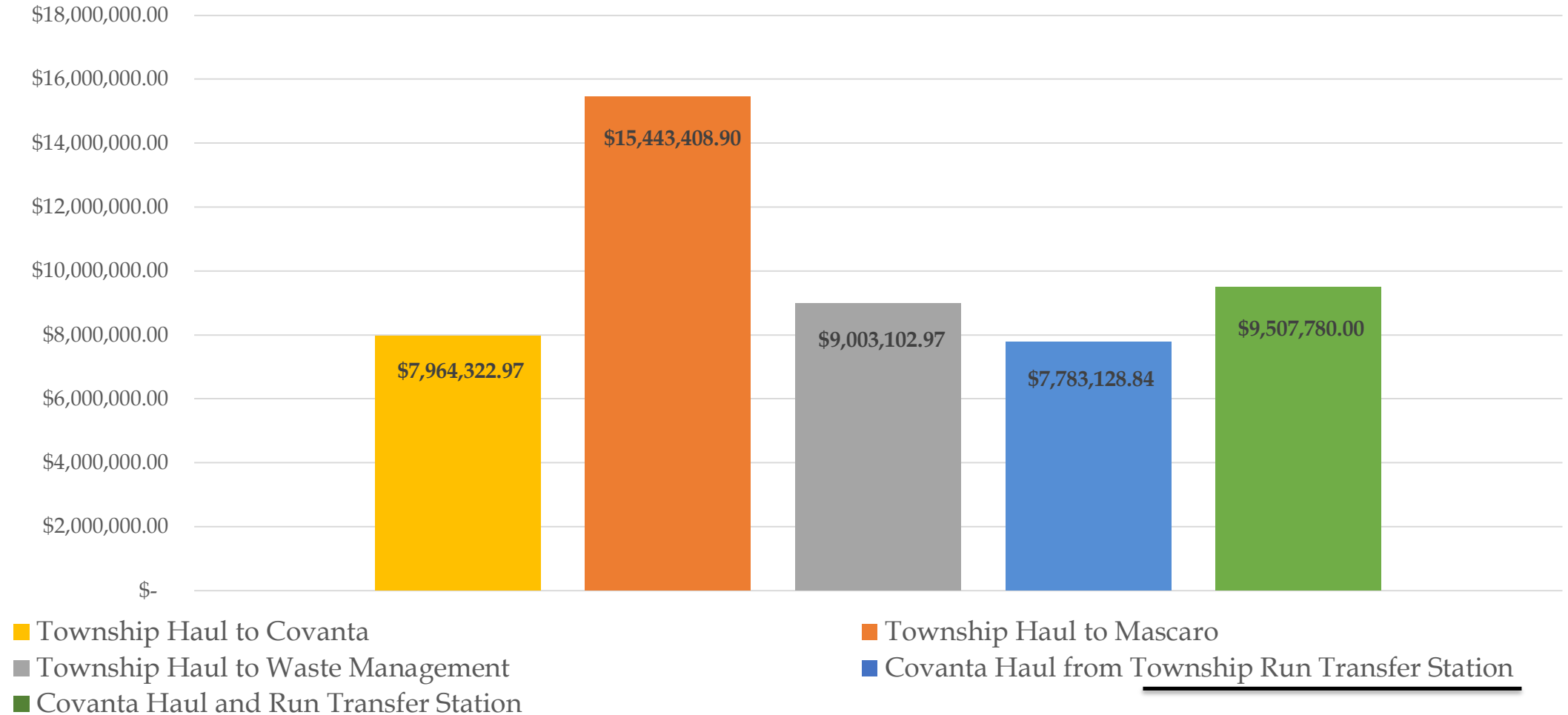


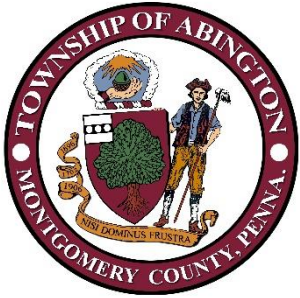
ANNUAL TOTAL COST FOR WASTE DISPOSAL SERVICE BY BIDDER & BID TYPE





5 YEAR TOTAL COSTS BY BIDDER & BID TYPE



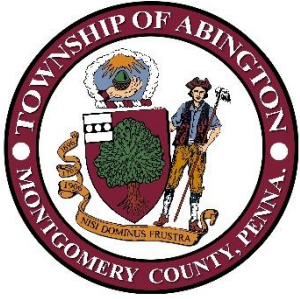


PREFERRED ALTERNATIVE

BIDDER HAUL WITH TOWNSHIP RUN TRANSFER STATION

CONTRACT YEAR	PER TON	DISPOSAL COST*	TOWNSHIP COST TO RUN FACILITY	TOTAL COST
Year 1	\$ 70.50	\$ 1,269,000.00	\$ 196,900.00	\$ 1,465,900.00
Year 2	\$ 72.63	\$ 1,307,340.00	\$ 202,807.00	\$ 1,510,147.00
Year 3	\$ 74.80	\$ 1,346,400.00	\$ 208,891.21	\$ 1,555,291.21
Year 4	\$ 77.04	\$ 1,386,720.00	\$ 215,157.95	\$ 1,601,877.95
Year 5	\$ 79.35	\$ 1,428,300.00	\$ 221,612.68	\$ 1,649,912.68
5 Year Total				\$ 7,783,128.84

* Based on an average of 18,000 tons a year.



PREFERRED ALTERNATIVE

BIDDER HAUL WITH TOWNSHIP RUN TRANSFER STATION

Optional 1 Year Extensions (up to 3): Both parties must agree to extension

CONTRACT YEAR	PER TON	DISPOSAL COST*	TOWNSHIP COST TO RUN FACILITY	TOTAL COST
Optional Year 1	\$ 81.73	\$ 1,471,140.00	\$ 252,973.75	\$ 1,724,113.75
Optional Year 2	\$ 84.18	\$ 1,515,240.00	\$ 260,562.96	\$ 1,712,140.00
Optional Year 3	\$ 86.71	\$ 1,560,780.00	\$ 268,379.85	\$ 1,757,680.00
3 Year Extension Option Total				\$ 5,193,933.75

* Based on an average of 18,000 tons a year.