

TOWNSHIP OF WEST ORANGE

COMPETITIVE CONTRACT EVALUATION REPORT

FOR OPERATION OF THE TOWNSHIP OF WEST ORANGE RECYCLING CENTER

Overview

The Township of West Orange (the “Township”) owns the Recycling Center located at 590 Mt. Pleasant Avenue, West Orange, New Jersey 07052. The operations conducted at the Recycling Center include the composting of leaves, the processing of vegetative wood waste and operating a recycling convenience center for West Orange residents for mixed paper, cardboard, and commingled containers.

On April 10, 2007, the Township Council adopted Resolution #84-07 authorizing the use of competitive contracting in lieu of public bidding pursuant to N.J.S.A. 40A:11-4.3 for the procurement of the Contract for Operation of the West Orange Recycling Center. And pursuant to N.J.S.A. 40A:11-4.3, the Township is authorized to utilize competitive contracting in lieu of public bidding for subsequent awards of the contract authorized under the resolution.

On December 21, 2024, the Township issued a Request for Proposals (the “RFP”) setting forth the terms and conditions of the proposed Contract for Operation of the Township of West Orange Recycling Center with proposals due on January 12, 2024. However, on January 11, 2024, the Township was advised that the RFP included a discrepancy as to the requirements for a performance bond for the operation of the recycling center. In order to correct this discrepancy, the Township cancelled the initial submission date for proposals in response to the RFP and issued a new RFP on January 19, 2024 with proposals due on February 7, 2024.

On February 7, 2024, the Township received four (4) proposals including, proposals from: (i) The Firewood Farm; (ii) Yanuzzi Group; (iii) Nature’s Choice NJ, the incumbent operator of the West Orange Recycling Center; and (iv) Mazza Mulch.

Pursuant to the Local Public Contracts Law and the New Jersey Administrative Code, the Township created an Evaluation Committee (the “Committee”) to establish weighted criteria for the evaluation of proposals and evaluate and score the proposals. The Committee was composed of five (5) members including:

- (1) John Gross, Chief of Staff and Chief Municipal Financial Officer for the Township;
- (2) Police Chief Jams P. Abbott, Police Chief for the West Orange Police Department and Acting Business Administrator for the Township;
- (3) Peter Smeraldo, Assistant Business Administrator for the Township;
- (4) Michael Fonzino, Health Director for the Township; and

(5) Panayiota Reynolds, Qualified Purchasing Agent for the Township.

Pursuant to N.J.A.C. 5:34-4.3(f) each member of the Committee executed a certification that they do not have a conflict of interest as to any of the vendors.

On February 12, 2024, Mazza Mulch submitted a letter to the Township challenging the proposals submitted by Nature's Choice NJ alleging that the pricing proposal set forth in Nature's Choice NJ's proposal deviated from the instruction in the RFP. Specifically, the RFP required that respondents propose a pricing proposal that included both: (i) an annual lease amount for use of the West Orange Recycling Center; and (ii) a percentage of annual revenues to be paid to the Township from the operation of the West Orange Recycling Center. Mazza Mulch argued that Nature's Choice NJ's proposed a flat rate rather than a percentage from the revenues from the operation of the West Orange Recycling Center.

Prior to the evaluation and scoring of the proposals, the legal department for the Township examined the challenge and issued a memorandum to the members of the Committee whereby it concluded that the submission of a flat annual rate rather than a percentage did not constitute a material defect requiring rejection of the proposal from Nature's Choice NJ.

On February 14, 2024, the Township's Environmental Consultant provided an initial evaluation of the proposal submitted in response to the RFP. A copy of the Proposal is annexed hereto as Exhibit "A." Notably, Environmental Consultant provided an analysis of the pricing proposals based on "average value of each of the major material streams at the facility" in order to provide a basis for comparison.

Evaluation and Scoring

Each member of the Committee was provided a copy of the proposals submitted in response to the Township's RFP. Each member evaluated the proposals and offer base scores in the following categories: (i) Revenue or Costs; (ii) Experience of the Respondent; (iii) Qualifications of the Staff; (iv) Equipment; (v) Violations, Fines, Notices of Violations; (vi) Evaluation of the Detailed Site Improvement Plans.

The committee also decided the weighting of each of these categories as follows: (i) Revenue or Costs – 35; (ii) Experience of the Respondent - 25; (iii) Qualifications of the Staff - 10; (iv) Equipment - 10; (v) Violations, Fines, Notices of Violations - 10; (vi) Evaluation of the Detailed Site Improvement Plans – 10.

Consistent with the initial evaluation performed by the Township's Environmental Consultant, the Committee's scoring as to Revenues and Costs reflected disparity in the pricing based on the initial evaluation. The Township's Environmental Consultant estimated the following prices: (i) Mazza Mulch - \$810,000 rent and \$0 revenue sharing; (ii) Nature's Choice NJ - \$631,869 rent and \$375,000 revenue sharing; (iii) the Firewood Farm - \$300,000 rent and \$236,505 revenue sharing (estimated) ; and (iv) Yannuzzi Group - \$312,000 rent and \$208,315 revenue sharing (estimated) as well as \$120,000 in site improvements. As Nature's Choice NJ price proposal far

exceeded the prices for the other respondents, the Committee's scoring reflected this pricing disparity.

In addition, the scoring as to experience and qualification of staff also reflected concerns regarding the experience of Yannuzzi Group and the Firewood Farm as neither have experience operating a Class C facility similar to the West Orange Recycling Center and lacked certified staff to operate a Class C Facility. As to Mazza Mulch, while it did have some limited experience operating a Class C facility, it did not have experience with leaf compost service, but instead only provided leaf transfer services. Meanwhile, Nature's Choice NJ as the incumbent vendor had experience and qualified staff to operate the West Orange Recycling Center.

As a result, the composite weighted scores for the proposals were as follows for each respondent.

<u>The Firewood Farm</u>	<u>Yannuzzi Group</u>	<u>Nature's Choice NJ</u>	<u>Mazza Mulch</u>
Revenues or Costs: 385	Revenues or Costs: 385	Revenues or Costs: 770	Revenues or Costs: 525
Experience: 225	Experience: 350	Experience: 550	Experience: 450
Qualifications of Staff: 80	Qualifications of Staff: 170	Qualifications of Staff: 220	Qualifications of Staff: 200
Equipment: 190	Equipment: 170	Equipment: 200	Equipment: 200
Violations, Fines, etc.: 210	Violations, Fines, etc.: 170	Violations, Fines, etc.: 160	Violations, Fines, etc.: 120
Site Improvement Plans: 160	Site Improvement Plans: 140	Site Improvement Plans: 200	Site Improvement Plans: 130
TOTAL: 1250	TOTAL: 1385	TOTAL: 2100	TOTAL: 1625

Conclusion/Recommendation

Based on the composite scores from the members of the Committee, the Committee recommends award of the Contract for the Operation of the Township of West Orange Recycling Center to Nature's Choice NJ for a three (3) year contract period commencing May 1, 2024 with options to renew for two additional one (1) year periods.