



Legislation Details (With Text)

File #: ID19-1597 **Version:** 1 **Name:**

Type: Action Item **Status:** Agenda Ready

File created: 12/18/2018 **In control:** City Council

On agenda: 1/17/2019 **Final action:**

Title: Actions pertaining to the removal, processing, and beneficial reuse or other environmental friendly alternative disposal of Biosolids (Bid File No. 9460) (Citywide)

1. Approve a three year contract with two one-year optional terms with Synagro Technologies, Inc., in the amount of \$10,155,000;
2. Approve a three year contract with two one-year optional terms with Holloway Environmental, LLC., in the amount of \$6,372,000

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Evaluation Committee Report - Attachment 1.pdf, 2. Sample Contract - Attachment 2.pdf

Date	Ver.	Action By	Action	Result
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REPORT TO THE CITY COUNCIL

January 17, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

BRIAN S. SPINDOR, Assistant Director
Department of Public Utilities - Wastewater Management Division

THROUGH: RICK STAGGS, Wastewater Manager
Department of Public Utilities - Wastewater Management Division

BY: RAY ARTHUR, Project Manager
Department of Public Utilities - Wastewater Management Division

SUBJECT

Actions pertaining to the removal, processing, and beneficial reuse or other environmental friendly alternative disposal of Biosolids (Bid File No. 9460) (Citywide)

1. Approve a three year contract with two one-year optional terms with Synagro Technologies, Inc., in the amount of \$10,155,000;
2. Approve a three year contract with two one-year optional terms with Holloway Environmental,

LLC., in the amount of \$6,372,000

RECOMMENDATION

Staff recommends Council approval of three-year contracts with two one-year optional terms between City of Fresno and Synagro Technologies, Inc., for \$10,155,000 and Holloway Environmental, LLC., for \$6,372,000 to provide for Biosolids reuse and disposal services and, authorize the Director of the Public Utilities Department, or designee, to execute the contract on behalf of the City of Fresno.

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU), Wastewater Management Division is seeking to award Biosolids contracts for removal, processing, and beneficial reuse or other friendly alternative disposal of Biosolids. City of Fresno's Regional Wastewater Reclamation Facility (RWRF) generates Biosolids as a byproduct of wastewater treatment. The proposed contracts would allow for Biosolids management to be performed by Synagro Technologies and Holloway Environmental. The Fresno Biosolids project involves transporting Biosolids to Synagro to be used for composting, and to Holloway Environmental to be used for mine reclamation and soil amendment.

BACKGROUND

A Request for Proposal (RFP), No. 9460, was prepared for this project. A Notice Inviting Bids was published on September 26, 2018, posted on PlanetBids and advertised in the Business Journal. The specifications were distributed to four prospective bidders. Three sealed bid proposals were received and publicly opened on October 16, 2018. Total bid proposals ranged in price from \$14,805,000 to \$19,375,000.

The RFP was structured so that proposers would bid on three quantities:

25,000 to 50,000 tons
50,001 to 75,000 tons, and,
75,001 to 100,000 tons

This format allowed each proposer to customize their bids to each of the three volumes levels. Staff determination is that by awarding the contract to the two bidders, the City is best served in ensuring uninterrupted service and best meeting the goals of beneficial use of the Biosolids. Synagro was determined to be best suited to achieve the City's goals of removal, transport, processing, and beneficial reuse of Biosolids in the 50,001 to 75,000 ton quantity, and Holloway will handle the remaining 25,000 to 50,000 tons. The specific amount that each vendor will receive will be determined by the daily amount of Biosolids produced and the availability of both vendors to remove and transport the product.

ENVIRONMENTAL FINDINGS

An initial study and EIR (SCH No. 2007011077) was prepared for this project and adopted on June 26, 2007. This approval is to implement a portion the project. An analysis has been performed pursuant to CEQA Guidelines Section 15162 to determine whether subsequent environmental review is required for this project. Based upon this analysis the following findings are made to support the

determination that no subsequent environmental review is required:

1. No substantial changes are proposed in the project which will require major revisions to the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects because the project is being implemented as planned.
2. No substantial changes occurred with respect to the circumstances under which the project was undertaken which will require major revisions to the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The project will not have any significant effects not discussed in the EIR, and there are no mitigation measures or alternatives previously found not to be feasible that are now feasible.
3. There is no new information, which was not known and could not have been known at the time of the EIR that was not discussed in the EIR.

Based upon these findings, it has been determined that no further environmental documentation is required for this project.

LOCAL PREFERENCE

The Local Preference component is not applicable because staff believes the number of local businesses is less than three.

FISCAL IMPACT

Funds in the amount of \$2,704,800 were budgeted for biosolids removal and reuse in the FY 2019 Sewer Enterprise Fund No. 40501(Citywide), with the estimated cost for biosolids reuse for FY19 of approximately \$2,649,800 based on the new contracts taking effect February 1, 2019. Funds for future years will be estimated annually based on each current year's production, and included in each year's Sewer Enterprise Fund. Biosolids disposal is estimated annually and the appropriation for biosolids disposal expense will be included in the annual budget for future fiscal years within the Sewer Enterprise Fund.

These are three (3) year contracts with two additional one year options.

Attachments:

Evaluation Committee Report - Attachment 1

Sample Contract - Attachment 2