



Legislation Text

File #: 20-0263, **Version:** 1

Resolution to Approve a Services Agreement with Michigan AgriBusiness Solutions, LLC for Land Application of Municipal Biosolids, RFP No. 20-03 (\$0.039/gallon, estimated \$624,000.00 first year) Your approval is requested for a services agreement with Michigan AgriBusiness Solutions, LLC (MAS) for hauling and land application of municipal wastewater biosolids from the City's Wastewater Treatment Plant (WWTP) at a cost of \$0.039 per gallon for the first year.

Biosolids are organic material, rich in nutrients, which are removed from wastewater through various treatment processes. During the months of approximately April through December, the WWTP utilizes contracted services for the application of stabilized biosolids to farmland as an agricultural soil supplement. These services enable the WWTP to achieve beneficial reuse of stabilized biosolids in a managed program that benefits the environment. The yearly amount of biosolids currently land applied is approximately 16 million gallons. During the balance of the year when biosolids cannot be land applied, the WWTP processes and disposes biosolids in a landfill.

Through RFP No. 20-03, WWTP staff solicited proposals for providing biosolids land application services. Proposals were received from BioTech Agronomics, Inc. (BioTech) and MAS. BioTech's proposal contained a fee of \$0.0579/gallon for the three-year period. MAS proposed annual unit pricing of \$0.039/gallon for year one, \$0.042/gallon for year two and \$0.044/gallon for year three. Based on the selection criteria listed in RFP No. 20-03, MAS was determined to be the most qualified and cost-effective firm to provide the requested services.

You are requested to approve a service agreement with MAS for three years with the option for two, one-year renewals, subject to approval by both parties, at annual unit pricing of \$0.046/gallon for year four and \$0.048/gallon for year five. Based on the projection that approximately 16 million gallons of biosolids are land applied annually, the estimated first year cost is \$624,000.00 at the \$0.039/gallon unit price. After the first year, the agreement allows for a Consumer Price Index Adjustment (CPIA), applied to the annual unit price for services, calculated on July 1st each year, equal to 80% of the appropriate Bureau of Labor Statistic Indexes: Consumer Price Index for All Urban Consumers (CPI-U) (Detroit Area, 1982-84-100).

Budget/Fiscal Impact: Funds for services provided in FY20 are included in the approved FY20 WWTP Operations and Maintenance Budget for the Sewage Disposal System. Approval for subsequent years is subject to Council Budget approval.

MAS received Non-Discrimination Compliance approval and Living Wage Compliance on July 2, 2019 and March 24, 2019, respectively.

Prepared by: Keith Sanders, Assistant WWTSU Manager
Reviewed by: Craig Hupy, Public Services Area Administrator
Approved by: Howard S. Lazarus, City Administrator

Whereas, During the months of April through December, the City's Wastewater Treatment Plant (WWTP) utilizes contracted services for the application of stabilized biosolids to farmland as an agricultural soil supplement;

Whereas, WWTP staff issued RFP No. 20-03 for the land application of wastewater biosolids to continue this beneficial reuse of biosolids;

Whereas, Based on WWTP staff review of proposals from Michigan AgriBusiness Solutions, LLC (MAS) and BioTech Agronomics, Inc., MAS was determined to be the most qualified and cost-effective firm to provide the requested services;

Whereas, MAS complies with the City's Non-Discrimination and Living Wage requirements; and

Whereas, Funds to finance services during FY20 are included in the approved FY20 WWTP Operations and Maintenance Budget for the Sewage Disposal System Fund and approval for subsequent years is subject to Council Budget approval.

RESOLVED, That Council approve the services agreement with MAS with annual unit pricing of \$0.039 per gallon for year one (estimated \$624,000.00 first year), \$0.042/gallon for year two and \$0.044/gallon for year three subject to annual price adjustments for land application of wastewater biosolids in accordance with RFP No. 20-03;

RESOLVED, That the City Administrator be authorized to renew the agreement for up to two one-year periods after the initial three-year period provided both parties agree to an extension at annual unit pricing of \$0.046/gallon for year four and \$0.048/gallon for year five, with additional year pricing also subject to annual price adjustment in accordance with RFP No. 20-03;

RESOLVED, That the Mayor and City Clerk be authorized to sign the agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution.