



Legislation Text

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**Department of Finance - Division of Procurement & Contracts**

Reference: *Award of Formal Solicitation for "As Needed" Biosolids Hauling and Land Application Services*

**To: Mayor Kenneth J. Kreutzer and Members of City Council**

**Through: Philip A. Rodriguez, City Manager**

**Prepared By: Pam Roeding, Procurement & Contracts Manager**

**Through: Curt Bauers, Utilities Director**

**Cc: Jean Starr, Finance Director**

**Date Prepared: March 13, 2018**

**PURPOSE**

Requesting City Council approval of a formal proposal for "As Needed" Biosolids Hauling and Land Application Services to the most responsive and responsible proposer, and approving the resolution giving the Mayor authority to sign the contract. Municipal Code Section 3.08.200, ". . . After the City Council has approved a **multi-term** contract, the City Manager may approve an annual extension and any amendment thereto, provided that the contractor has performed the work satisfactorily, all terms and conditions of the contract have been fulfilled, the funds for said extension and amendment have been appropriated, and so long as the dollar amount of said contract extension and amendment is within the authority of the City Manager to approve. The City Manager, at his or her discretion, may take a **multi-term** contract and amendment thereto to the City Council for approval. All extensions and amendments to **multi-term** contracts in excess of the authority of the City Manager to approve shall be approved by the City Council."

**BACKGROUND/HISTORY**

The City of Brighton's Wastewater Treatment Plant produces treated dewatered Biosolids that are beneficially reused on agricultural land. The City has contracted the hauling and land application services associated with Biosolids reuse and desires to continue to contract these services. The services include hauling and application of dewatered Biosolids, maintaining permits for land application sites and keeping records and reports as required by State and Federal regulations.

ITB #17M-019 Biosolids Hauling and Land Application Services was advertised on the Rocky Mountain Bid System, the City website, and the Brighton Blade newspaper by the Procurement and Contracts Division.

This bid was prepared and will utilize a multi-term agreement, which includes the possibility of four, one-year extensions based on performance and renewable annually. Performance will be reviewed during the contract season and at the completion of each term's contract with a decision made to continue or cancel the existing agreement. Each year's renewal would be subject to annual appropriation.

One (1) formal proposal was received on January 5, 2018 at 11:00 AM from Veris Environmental, LLC whom has provided the service for the past five (5) years.

The Proposal received was evaluated by the project team. There was a substantial increase per wet ton from \$20.27 in 2017 (after CPI increases annually in the base bid from 2012) to \$34.40 per wet ton in 2018. The Procurement and Contracts Division examined the price increase and discovered the following:

- The annual CPI increases did not keep up with the industry's cost of doing business.
- The previous cost was based on the company's cost model five (5) years prior, the cost offered is based off the Veris Environmental, LLC current cost model.
- Other municipalities are paying like cost based off their business plan.

Veris Environmental, LLC is in good standing with the Colorado Secretary of State.

**FINANCIAL IMPACT**

Sufficient funding was approved in the 2018 Water Activity Enterprise Fund for the "As Needed" Biosolids Hauling and Land Application Services. The aggregate amount spend from the previous multi-term agreement (2012-2017) was Two Hundred Twenty One Thousand Five Hundred Dollars (\$221,500.00). The estimated aggregate spend under this new Agreement would be approximately \$375,000.

**STAFF RECOMMENDATION**

The Finance Department, in working with the Utilities Department and completing the review and evaluation of this Proposal, recommends the award to the most responsive and responsible Proposer of Veris Environmental, LLC.

**OPTIONS FOR COUNCIL CONSIDERATION**

- Approval as presented
- Reject
- Require new Proposals be prepared

**ATTACHMENTS:**

- Resolution