



Legislation Text

File #: 90-22, **Version:** 1

TO: Mayor and City Council

FROM: James V. Capparelli, City Manager

SUBJECT:

Award of Contracts for the 2022 Biosolids Disposal Program to New Era Spreading in the amount of \$1,535,000.00

BACKGROUND:

The Biosolids Disposal Program consists of land application services and payment to farmers for the use of the land. An advertisement for bid for the land application element of the 2022 Biosolids Disposal Program was published in the Labor Record on Thursday, November 18, 2021. The Public Service Committee reviewed this memo at the January 31, 2022 meeting and recommended for approval by the full Council.

CONCLUSION:

Bids for the land application element of the 2022 Biosolids Disposal Program were opened at 1:00 p.m. on Wednesday, December 8, 2021. Two (2) bids were received and read out loud. The bid summary is as follows:

<u>BIDDER</u>	<u>BID PRICE</u>
New Era Spreading	\$1,535,110.00*
Stewart Spreading, Inc.	\$2,029,592.00
Engineer's Estimate	\$2,160,369.40

*During the review of the bid a mathematical error was discovered. Therefore, the bid submitted by New Era Spreading was corrected to \$1,535,110.00

The City also requested a one-year contract extension proposal to potentially extend the contract for 2023. The City will evaluate this option in 2023.

The low bid from New Era Spreading, Inc., in the amount of \$1,535,110.00, is 29% below the engineer's estimate.

The program continues to provide payment to growers that experience a reduction in yield or incur costs due to the application of sludge. The base benefit to farmers is the savings realized for fertilizer costs. No payment is made with fall applications to the fields. Payment of \$150 per acre is made to growers that accept sludge in the spring season for extra tillage. The crop yield is guaranteed and a payment of an amount not-to-exceed \$150 per acre is offered for a reduction in

yield below the 5-year average for the field.

Funds for the land application will be charged to the following accounts: Water & Sewer Operating Fund / ESTP - Sludge Removal (Org 50080802, Object 524200, \$921,000.00), Water / Sewer Operating Fund / Aux Sable - Sludge Removal (Org 50080804, Object 524200, \$460,500.00), and the Water / Sewer Operating Fund / WSTP - Sludge Removal (Org 50080803, Object 524200, \$460,610.00).

RECOMMENDATION:

Based on the above, it is recommended that the Mayor and City Council take the following actions:

1. Authorize the award of Contract for the 2022 Biosolids Disposal Program at the Contract price of \$1,535,110.00 on behalf of New Era Spreading Inc.
2. Approve the continuing policy of providing payments to growers for making land available for the application of sludge.