

SUMMARY REPORT TO MANAGER
For City Council Meeting of June 26, 2006

SUBJECT: WASTEWATER: LAND APPLICATION OF BIOSOLIDS, BID NO. 2931

INITIATED BY: Noel D. Bush, Utilities Director

RESOLUTION SUMMARY: This resolution authorizes purchase orders in the sum of \$96,200.00 to Biotech Agronomics of Benzonia, Michigan to land apply up to 3,250,000 gallons per year for three years of Wastewater Plant biosolids, at a unit cost of \$0.0296 per gallon, for the period July 1, 2006 to June 30, 2009, in accord with Sec. 2-18 of the Code of Ordinances for the City of Midland, and further authorizes the City Manager to make change orders, in an amount not to exceed \$10,000 in each year of said agreement.

ITEMS ATTACHED:

- 1. Letter of transmittal
- 2. Resolution

COUNCIL ACTION:

- 1. 3/5 vote required to approve resolution.

NDB:jjjs



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June 22, 2006

Honorable Mayor and City Council
City of Midland
333 W. Ellsworth Street
Midland, Michigan 48640

Councilmen:

In treating the community's sanitary sewage, the City of Midland Wastewater Treatment Plant produces residual biosolids or sludge that must be disposed of in a manner acceptable to the Michigan Department of Environmental Quality. In 1985, the City began utilizing the biosolids disposal technique of Land Application of Class B Biosolids and continues to find this alternative to be cost effective and environmentally sound.

On May 2, 2006 sealed bids were received and opened for Bid No. 2931, Biosolids Land Application for a three-year period beginning July 1, 2006. Bids received were as follows:

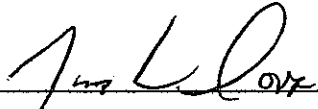
Based on 3,250,000 Gallons Per Year		
Company Name	Rate/gal	Annual Amount
Biotech Agronomics – Benzonia, MI	\$0.0296	\$96,200.00
Synagro Central – Baltimore, MD	\$0.0299	\$97,175.00

Staff has examined the bids and believes that acceptance of the low bid price of \$0.0296 per gallon for disposal services offered by Biotech Agronomics of Benzonia, Michigan is in the best interest of the City. The price under the current three-year agreement ending June 30, 2006 is \$0.0234 per gallon. The new price is an increase of \$0.0062 per gallon for an annual increase of \$20,150.00 to the City. The increase in price is attributed to the increase in fuel used to transport the biosolids, and because the price had not been adjusted in three years to keep pace with other inflationary factors.

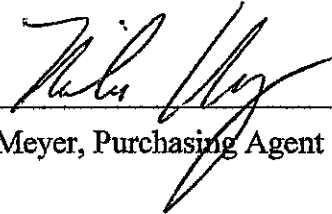
Sufficient funds have been budgeted in the 2006/07 Wastewater Fund account #590-8144-811.81-92 - Sludge Hauling. Staff, therefore recommends that authorization be granted for the issuance of purchase orders to Biotech Agronomics in the amount of \$96,200.00 for each year of the three year period July 1, 2006 to June 30, 2009. Staff

further recommends that the City Manager be authorized to make change orders in an amount not to exceed \$10,000 in each year of said agreement.

Respectfully submitted,



for Noel Bush, Utilities Director



Mike Meyer, Purchasing Agent



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BY COUNCILMAN

WHEREAS, in 1985, the City began utilizing the biosolids disposal technique of Land Application as the most cost effective and environmentally sound alternative available; and

WHEREAS, sealed bids for Wastewater - Land Application of Biosolids, Bid No. 2931, for a three-year period July 1, 2006 to June 30, 2009, have been advertised and received in accord with Section 2-18 of the Midland Code of Ordinances; and

WHEREAS, sufficient funds have been budgeted in the 2006/07 Wastewater Fund account #590-8144-811.81-92 - Sludge Hauling; now therefore

RESOLVED, that the low sealed proposal submitted by Biotech Agronomics of Benzonia, Michigan for the indicated price per gallon of biosolids of \$0.0296, for up to 3,250,000 gallons per year, at a total annual amount of \$96,200.00, is hereby accepted and purchase orders are authorized; and

RESOLVED FURTHER, that the City Manager is authorized to approve change orders modifying or altering the purchase orders in an amount not to exceed \$10,000 in each of the agreements.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, June 26, 2006.

Selina Tisdale, City Clerk