

**CITY OF SANTA BARBARA****COUNCIL AGENDA REPORT****DRAFT**

AGENDA DATE: June 14, 2011

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Approve Engel & Gray as the sole source vendor to provide Biosolids Composting

RECOMMENDATION:

That Council find it in the City's best interest to waive the formal bid process as provided by Municipal Code Section 4.52.070 (k) and authorize the General Services manager to issue a purchase order to Engel & Gray, Inc. (E&G) as the sole source and most favorable source for providing the City with biosolids composting services for a limited amount of finished compost in accordance with approved budgets for Fiscal Year 2012 and the following four fiscal years, at a not-to-exceed cost of \$100,000 annually.

DISCUSSION:

The processes used for treatment of wastewater at the El Estero Wastewater Treatment Plant result in the generation of three products: treated water, recycled water, and biosolids. Biosolids are comprised of organic material removed during the treatment process which has been subsequently broken down and stabilized through a digestion process. The stabilized biosolids are black in color, have a musky, earthy odor, and make excellent feedstock for compost production.

Returning the nitrogen and organic material (humus) contained in biosolids to the soil helps to recycle these nutrients into the soil in a safe and sustainable manner. For the past five years, the City has contracted with two composting companies to manage its biosolids: E&G of Santa Maria and McCarthy Family Farms, which has operations in Kern and Kings Counties. E&G is the only composting facility in Santa Barbara County that has the necessary permits for biosolids composting and staff believes it is in the City's best interest to keep an in-County option for management of the City's biosolids. As part of a demonstration project funded by the Wastewater Fund, finished compost from E&G is purchased for use by the City's Parks and Recreation Department for a top dressing on fields, parks, and the City golf course. Local use of compost provides the public with an opportunity to see the value of recycling this material, while also helping to green the City's recreational facilities.

Staff has received an acceptable proposal from E&G to transport and compost City biosolids at a cost of \$46.63 per ton. The compost produced by E&G is of very high quality and has no noticeable odor. Staff therefore recommends that a purchase order be issued to E&G to manage a portion of the City's biosolids.

The City has recently received proposals for biosolids management for the remainder (and majority) of the City's biosolids. Staff has worked to issue a purchase order contract for the successful low bid contractor to manage the majority of the City's biosolids.

At their meeting of June 13, 2011, the Board of Water Commissioners was informed of staff's recommendation to authorize re-issuance of purchase order contracts to E&G, whose present contract with the City expires on June 30, 2011.

BUDGET/FINANCIAL INFORMATION:

Biosolids management is an integral part of the Treatment Plant's operating budget. Approximately \$600,000 is budgeted annually for biosolids management. Approximately \$100,000 of this will be paid to E&G, and the remainder is expected to be paid to the primary biosolids contractor. Funds to pay for biosolids management are included in the approved Wastewater Fund budget. There are sufficient funds in the Wastewater Fund budget for both purchase order contracts.

SUSTAINABILITY IMPACT:

Returning nutrients to the soils is essential to sustainable farming. Compost offsets or replaces the need for chemical fertilizers, while also adding humus to the soil. Recycling biosolids through composting keeps this material out of landfills, preserving landfill space.

PREPARED BY: Chris Toth, Wastewater System Manager/RR/jj

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office