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CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

Agenda Item No. _____

File Code No. _____

AGENDA DATE: November 22, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Issuance Of Purchase Order To Engel & Gray, Inc., For 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., to provide the City with an in-county site for biosolids composting services at a cost of \$52.00 per ton, and for the purchase of a limited amount of finished compost at a cost of \$25.80 per yard for Fiscal Year 2017, and the following four fiscal years, in accordance with approved budgets.

DISCUSSION:

The processes used for treatment of wastewater at the El Estero Wastewater Treatment Plant (El Estero) 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 is 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 materials (humus) contained in biosolids to the soil helps to recycle these nutrients in a safe and sustainable manner.

On June 14, 2011, Council found it in the City's best interest to waive the formal bid process and authorize a purchase order to Engle & Gray, Inc. (E&G), to provide an in-county site for biosolids composting services for Fiscal Years 2012 through 2016. In years prior, the City utilized two composting companies to manage its biosolids: E&G in Santa Maria, and Liberty Composting, Inc., which has operations in Kern County. E&G was approved because it was, and still is, the only composting facility in Santa Barbara County that has the necessary permits to perform the work. Staff believes it is in the City's best interest to keep an in-county option for biosolids management.

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 replenish nutrients in the soil at the City's recreational facilities.

The City issued a contract to Liberty Composting, Inc., (Liberty) the successful low bid contractor, to manage the majority of the City's biosolids. E&G is matching Liberty's low bid cost to transport and compost City biosolids at their facility and will provide a limited amount of finished compost to the City at \$25.80 per yard. The compost produced by E&G is high quality and has no noticeable odor. Therefore, staff recommends that a purchase order be issued to E&G to manage a portion of the City's biosolids.

BUDGET/FINANCIAL INFORMATION:

Biosolids management is an integral part of El Estero's operating budget, with approximately \$600,000 budgeted annually. Approximately \$125,000 of this will be paid to E&G, and the remainder is expected to be paid to Liberty. Funds to pay for biosolids management are included in the approved Wastewater Fund budget, and there are sufficient funds for both purchase order contracts.

SUSTAINABILITY IMPACT:

Returning nutrients to the soil 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 and preserves landfill space.

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SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office