



City Council Report

Date: August 22, 2016
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal of the Term Contract Bio-Solids Removal and Reuse/
Disposal Services for the Water Resources Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Bio-Solids Removal and Reuse/Disposal Services as recommended.

The Water Resources Department and Purchasing recommend authorizing a one-year renewal with Denalli Water Solutions, LLC at \$460,000.00, based on estimated requirements.

Background / Discussion

This contract provides for all materials, equipment and labor to load, transport, and reuse/dispose of dewatered bio-solids from Mesa's Northwest and Greenfield Water Reclamation Plants. Loading and hauling are included therefore all bio-solids dewatered during the previous 24-hours are removed from the plant site daily.

Council awarded the initial three-year contract to Terra Renewal West (acquired by Denali Water Solutions) with renewal options on November 5, 2012, and the first one-year renewal on October 5, 2015. This is the second and final, one-year renewal contract.

Denalli Water Solutions offered to renew the contract with an overall increase of 1.04% -- increasing from \$14.49/ton to \$14.64/ton. This is the first price increase since original award four years ago. This is competitive compared to inflation (Consumer Price Index at 1.1%). The City has been satisfied with the vendor's performance. It would be costly to transition vendors as it takes considerable time for a new vendor to learn the City's needs and requirements. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

The Greenfield Water Reclamation Plant Expansion should be near completion in 2018. Due to this expansion, the amount of bio-solids to be removed will significantly increase. For this reason, the City intends to re-bid this contract next year.

Alternatives

Council may choose not to authorize the purchase and new bids will be obtained.

Fiscal Impact

The annual contract amount is funded by the Water Resources Department operating budget through the Enterprise Funds, Wastewater Sub Fund and Greenfield WRP Joint Venture.

Coordinated With

Water Resources – Wastewater Utility and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Proposals

Solicitation Number: 2012193

Responses Received: 2

Initial Contract Term: Three Years

Renewal Term: Second and Final One Year (11/1/2016 through 10/31/2017)

Renewal Terms Remaining: None

2012 Proposal Results

Elements / Points Possible	Denalli Water Solutions, LLC (formerly known as Terra Renewal Services, Inc.) Richardson, TX	Synagro West, LLC Suisun City, CA
Qualifications / 300 Points	223	226.5
Technical Approach / 400 Points	291.5	291.5
Pricing / 300 Points	300	262
Total Proposal Points / 1,000 Points	<u>814.5</u>	780

RENEWAL RECOMMENDATION

Denali Water Solutions
Garden Grove, CA

Description
Removal and reuse/disposal of dewatered bio-solids from Mesa's Northwest and Greenfield Water Reclamation Plants per Contract No. 2012193 Terms and Conditions, Specifications and Pricing as offered
Annual Contract Amount: <u>\$460,000.00</u>