

MEMORANDUM

TO: Mayor and Council

FROM: Sue F. McCormick, Public Services Administrator

DATE: May 7, 2007

SUBJECT: Resolution to Approve a Service Agreement with Synagro Central, LLC for Land Application of Municipal Wastewater Biosolids, RFP No. 657 (\$0.0319 per gallon)

Your approval is requested to award a service agreement to Synagro Central, LLC (Synagro) for hauling and land application of municipal wastewater biosolids from the City's Wastewater Treatment Plant (WWTP) at a cost of \$0.0319 per gallon.

Biosolids are organic material, rich in nutrients, which are removed from wastewater through various treatment processes. During the months of April through December, the WWTP utilizes contracted services for the application of stabilized biosolids to farmland as an agricultural soil supplement. These services enable the WWTP to achieve beneficial reuse of stabilized biosolids in a managed program that benefits the environment. The yearly amount of biosolids, currently land applied, is approximately 23,500,000 gallons. During the balance of the year, the WWTP processes and disposes biosolids in a landfill.

Through RFP No. 657, WWTP staff solicited proposals for providing biosolids land application services. Proposals were received from Merrell Bros., Inc. and Synagro. Based on the selection criteria listed in RFP No. 657, Synagro was determined to be the most qualified to provide the requested services.

Synagro received Human Rights approval on March 27, 2007 and complies with the City's living wage requirements. The standard agreement for services without modification will be used for this contract between the City and Synagro.

You are requested to approve a service agreement with Synagro for three years with the option for two one-year renewals. After the first year, the agreement allows for annual price adjustments based upon 80% of the Consumer Price Index. The estimated first year cost is \$749,650.

Funds to finance these services for the remainder of FY 07 are included in the FY 07 WWTP Operations and Maintenance (O&M) budget for the Sewage Disposal System. Funds to finance these services for the remaining two years of the contract are included in the WWTP's FY 08 and FY 09 budget requests.

Prepared by: Earl J. Kenzie, P.E., Manager, WWT Services
Reviewed by: Sue F. McCormick, Public Services Administrator
Approved by: Roger W. Fraser, City Administrator

R-183-5-07**RESOLUTION TO APPROVE A SERVICE AGREEMENT WITH SYNAGRO CENTRAL, LLC FOR LAND APPLICATION OF MUNICIPAL WASTEWATER BIOSOLIDS, RFP No. 657 (\$0.0319 PER GALLON)**

Whereas, During the months of April through December, the City's Wastewater Treatment Plant (WWTP) utilizes contracted services for the application of stabilized biosolids to farmland as an agricultural soil supplement and during the balance of the year processes and disposes biosolids in a landfill;

Whereas, WWTP staff issued RFP No. 657 for the land application of municipal wastewater biosolids to continue this beneficial reuse of biosolids;

Whereas, Based on WWTP staff review of proposals from Synagro Central, LLC (Synagro) and Merrell Bros., Inc., Synagro was determined to have the most qualified and cost effective proposal to provide the requested services;

Whereas, On March 27, 2007, the Human Resources Department approved Synagro to perform work for the City and Synagro has signed the City's "Notice of Intent to Comply with Living Wage Ordinance"; and

Whereas, Funds to finance these services in FY 07 are included in the FY 07 WWTP Operations and Maintenance budget for the Sewage Disposal System and funds to finance these services for the remaining two years of the contract are included in the WWTP's FY 08 and FY 09 budget requests.

RESOLVED, The Council approves the service agreement with Synagro in the amount of \$0.0319 per gallon for land application of municipal wastewater biosolids and that on May 1st of every year starting May 1, 2008, an annual price adjustment equal to 80% of the Consumer Price Index will be made;

RESOLVED, That the service agreement with Synagro be for three years with the option for two one-year renewals to be approved by the City Administrator, contingent upon the inclusion in the contract terms of the City's right to terminate the agreement at any point during the term should funds not be appropriated for these services as part of the budget process for the fiscal years following June 30, 2007;

RESOLVED, That the Mayor and the City Clerk are authorized to sign the service agreement approved as to substance by the City Administrator and as to form by the City Attorney; and

RESOLVED, That the services for the balance of FY 07 be funded from the approved FY 07 WWTP Operations and Maintenance (O&M) budget for the Sewage Disposal System and that the services for future years be funded from appropriate future WWTP O&M budgets for the Sewage Disposal System.

Submitted by: Public Services Area, Wastewater Treatment Services
Date: May 7, 2007

Approved by: City Attorney

**APPROVED
BY ANN ARBOR CITY COUNCIL**

May 7, 2007

**CITY CLERK
ANN ARBOR, MI**