



Legislation Text

File #: 20-1109B, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Bid 20-306, Biosolids Removal Services, to Stewart Spreading Inc. for an amount not to exceed \$499,000 for a two-year term

DEPARTMENT: Water Utilities

SUBMITTED BY: Darrell Blenniss, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Water Utilities issued Bid 20-306 to contract with a qualified licensed biosolids (sludge) hauling contractor to remove, transport, and land apply residual solids generated by the wastewater treatment process. The biosolids will be hauled from the Springbrook Water Reclamation Center (SWRC) to agricultural farmland and/or sod farms and applied in accordance with United States Environmental Protection Agency (40 Code of Federal Regulations Part 503) and other federal, state and local regulations.

At the October 20, 2020 Council meeting, the Council directed staff to 1) identify the reason(s) why Stewart’s current bid amount increased so significantly from its 2017 bid and 2) provide information as to why other vendors chose not to bid.

DISCUSSION:

Advertisement Date: 9/04/2020
Opening Date: 9/29/2020

Notices Sent: 21
Planholders: 7
Proposals Received: 1

The following bids were received:

Firm Name	Bid Amount
Stewart Spreading Inc.	\$509,000
Engineer’s Estimate	\$411,000

The engineer’s estimate is based on current contract pricing. Stewart Spreading, the incumbent vendor, is the sole bidder. For comparison purposes, three bids were received during the previous procurement in 2017: \$399,000 (winning bid); \$550,000 and \$600,000. Although Stewart Spreading’s

current bid increased, it remains below the other bids received three years ago.

In response to Council direction, staff contacted Stewart Spreading. Stewart responded to the request by providing a letter detailing the factors that contributed to its bid price. The primary factors include increases in labor and transportation costs. Further detail is provided within the letter which is attached herein. During discussions with Stewart, staff successfully negotiated a \$10,000 reduction in total bid price, from \$509,000 to \$499,000.

Staff also contacted AgTech/Merrell Bros. Inc, Synagro Central LLC and Walter & Son to identify their reasons for not submitting a bid. Vendors offered the following information:

1. Due to increased trucking costs, combined with the bid results from 2017, did not feel contract was winnable;
2. The bid specification requires same day hauling and spreading, firm prefers to do multiple hauling and spreading days within a longer timeframe;
3. City has the right to refuse any land designated for biosolids spreading;
4. City does not allow biosolids spreading close to residential areas;
5. Trucks need to drive longer distances to spread since Naperville is so developed;
6. Indemnification clause within insurance requirement is too strict;
7. Concerns regarding travel restrictions if trucks cannot travel to Illinois or leave the state if a quarantine period is required

In summary, staff is recommending moving forward with the award due to potential operational impacts that may occur. An expiring contract, coupled with the uncertainty and timeframes necessary with a rebid, could leave the City without a viable hauling option as needed in the first quarter of 2021.

The recommended contract is effective January 1, 2021 through December 31, 2022, with a one-year option renewal.

FISCAL IMPACT:

CIP: N/A

Biosolids removal is expensed to the operational service account listed below. A total of \$205,000 is tentatively budgeted for contractor services to remove biosolids, pending Council approval. Per the agreement, costs for the contract will be equally split between the next two years. The remainder of the agreement will be budgeted appropriately in subsequent years.

Account Number	Fund Description	Total Budget Amount
41251530-531308	Water & Wastewater	\$304,000