

COUNCIL ACTION FORM

SUBJECT: WPC FACILITY BIOSOLIDS DISPOSAL OPERATIONS

BACKGROUND:

The Water Pollution Control Facility (WPCF) generates approximately 30,000 gallons of biosolids each day. Throughout the year, these biosolids are stored in the facility's secondary digester and biosolids storage lagoon and are ultimately disposed of by land application as fertilizer on City-owned farm ground adjacent the WPCF. The bulk of the land application occurs in the fall after crops have been harvested; however, some land application is performed as needed throughout the year to maintain adequate storage capacity. The primary hauling in the fall is conducted by a contract hauler, and the periodic hauling throughout the year is generally performed by City staff.

On May 14, 2019, Council awarded a new biosolids disposal contract to Nutri-Ject, Inc. The agreement was for Year One (FY 2019/20), with up to two annual renewals possible based on satisfactory completion of the previous years' work and Council's appropriation of funds. One change order was authorized by Council on January 28, 2020, with a revised contract amount of \$116,306.10. That work is now complete and ready for acceptance by Council.

Due to a misunderstanding of the annual format of the agreement by staff, an agreement renewal was never executed for Year Two (FY 2020/21). However, Nutri-Ject has already performed the work that would have been included for FY 2020/21. Between November 6, 2020, and November 25, 2020, Nutri-Ject removed 2,951,050 gallons from the biosolids lagoon and another 75,251 gallons from the digester. The total invoiced cost for the work is \$79,060.06. The adopted FY 2020/21 operating budget includes \$80,000 for this work. It is notable that Nutri-Ject invoiced the City at its 2019 unit rates, even though the agreement allows for an annual price increase that is pegged to a construction cost index.

Both City staff and Nutri-Ject failed to note that no agreement for FY 2020/21 was in place prior to the work being completed. Both parties proceeded in good faith, and the work was performed in a manner that was consistent with the terms of the agreement. To create an appropriately documented record, staff is recommending that a retroactive renewal agreement be awarded to Nutri-Ject Systems, Inc. of Hudson, Iowa, for Year Two of the WPCF Biosolids Disposal Operation in the amount of \$79,060.06.

ALTERNATIVES:

1. A. Accept completion of Year One (FY 2019/20) of the WPCF Biosolids Disposal Operations in the amount of \$116,306.10.

B. Award a contract to Nutri-Ject Systems, Inc. of Hudson, Iowa, for Year Two (FY 2020/21) of the WPCF Biosolids Disposal Operations in the amount of \$79,060.06.
2. Accept completion of Year One. Provide direction to staff to address the Year Two work that was performed without an agreement.
3. Do nothing.

CITY MANAGER'S RECOMMENDED ACTION:

The disposal of biosolids at the Water Pollution Control Facility (WPCF) is an essential treatment component that is included in the operating budget. The work included in Year One (FY 2019/20) is complete and ready to be accepted by Council.

The work for FY 2020/21 was never formally awarded by Council but was completed in good faith by the contractor. Nutri-Ject, Inc. performed this work for FY 2020/21 in the amount of \$79,060.06. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 A-B, as described above.