



Legislation Text

File #: 1162-2013, Version: 1

This legislation authorizes the Director of Public Utilities to modify the contract with Ohio Mulch, Inc. for the purposes of providing a biosolids beneficial reuse program called Deep Row Hybrid Poplar (DRHP) program for the Division of Sewerage and Drainage (DOSD).

This contract modification 1 is for the continuation of the DRHP program on the 1,012 acre New Lexington Tree Farm, LLC, located in Perry Township, Perry County, Ohio, and owned by Ohio Mulch. This contract will authorize Ohio Mulch to remove a minimum of 27,000 and up to a maximum of 30,000 wet tons of biosolids annually from the DOSD's Wastewater Treatment Facilities (WWTFs) and reuse the biosolids in their DRHP program. All biosolids removed from the WWTFs will be Class B biosolids, with the majority of biosolids originating from the Southerly Wastewater Treatment Plant and with a smaller fraction of the biosolids originating from the Jackson Pike Wastewater Treatment Plant. The biosolids will be utilized as a nitrogen source to grow hybrid poplar trees which will be later harvested for mulch. In addition, the biosolids will add valuable organic material to the old abandoned mine site that is now repurposed as the New Lexington Tree Farm. Approximately 30 acres will be utilized per year at the New Lexington Tree Farm site with trees being harvested every 6 to 8 years.

The Director of Public Utilities received the Ohio Mulch, Inc. proposal on April 15, 2011 in response to the DOSD Request for Proposals for Innovative Reuse of Biosolids and it was the only proposal received with the DRHP concept. Other proposals received included three mechanized dryer processes that would dry and pelletize biosolids for commercial wholesale and two biosolids-cake land application proposals. Of all proposals submitted under the Innovative Reuse of Biosolids RFP, the selection committee deemed the DRHP as the best fit for the DOSD Biosolids Program.

The terms for the award contract and modification 1 are as follows:

1. Award contract is for approximately 6 months at \$35 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 15,000 wet tons of Class B biosolids.
2. Modification 1 will extend the contract an additional 12 months at \$35 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.
3. Modification 2 will extend the contract an additional 12 months at \$35 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.

At the end of contract modification 2, 30 months will have elapsed from the contract and the DOSD and Ohio Mulch must choose to continue this contract by modification(s) according to Plan-A or Plan-B as follows:

Plan-A: accounting for the award contract and all modifications, Plan-A total contract duration is 5 years:

4. Modification 3 will extend the contract 18 months at \$35 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 45,000 wet tons of Class B biosolids.
5. Modification 4 will be the final modification for Plan-A and it will extend the contract 12 months at \$35 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.

Plan-B: accounting for the award contract and all modifications, Plan-B total contract duration is 10 years:

4. Modification 3 will extend the contract 18 months at \$28 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 45,000 wet tons of Class B biosolids.
5. Modification 4 will extend the contract 12 months at \$28 per wet ton and authorizes Ohio Mulch, Inc. to remove

- up to 30,000 wet tons of Class B biosolids.
6. Modification 5 will extend the contract 12 months at \$28 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.
 7. Modification 6 will extend the contract 12 months at \$28 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.
 8. Modification 7 will extend the contract 12 months at \$28 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.
 9. Modification 8 will extend the contract 12 months at \$28 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.
 10. Final Modification 9 will extend the contract 12 months at \$28 per wet ton and authorizes Ohio Mulch, Inc. to remove up to 30,000 wet tons of Class B biosolids.

SUPPLIER: Ohio Mulch, Inc. (31-1120540), Expires 8-02-13

The company is not debarred according to the Excluded Party Listing System of the Federal Government or prohibited from being awarded a contract according to the Auditor of State Unresolved Findings for Recovery Certified Search.

1. Amount of additional funds: Total amount of additional funds needed for this contract modification No. 1 is \$1,050,000.00. Total contract amount including this modification is \$1,575,000.00
2. Reason additional funds were not foreseen: The need for additional funds was known at the time of the initial contract, as this is an annual expenditure. This legislation is to encumber the funds budgeted for fiscal year 2013 for the Division of Sewerage and Drainage.
3. Reason other procurement processes were not used: Work under this modification is a continuation of services included in the scope of the original bid contract. No lower pricing more attractive terms and conditions are anticipated at this time.
4. How was cost determined: The cost, terms and conditions are in accordance with the original agreement.

FISCAL IMPACT: \$1,050,000.00 is needed and budgeted for this contract modification 1.

Award Contract for 6 months = \$525,000.00
Modification 1 for 12 months = \$1,050,000.00
Modification 2 for 12 months = \$1,050,000.00

Plan-A Modification 3 for 18 months = \$1,575,000.00
Plan-A Modification 4 for 12 months = \$1,050,000.00 end of Plan-A

Plan-B Modification 3 for 18 months = \$1,260,000.00
Plan-B Modification 4 for 12 months = \$840,000.00
Plan-B Modification 5 for 12 months = \$840,000.00
Plan-B Modification 6 for 12 months = \$840,000.00
Plan-B Modification 7 for 12 months = \$840,000.00
Plan-B Modification 8 for 12 months = \$840,000.00
Plan-B Modification 9 for 12 months = \$840,000.00 end of Plan-B

\$117,890.15 spent to date in 2013
\$0.00 was spent in 2012
\$0.00 was spent in 2011

To authorize the Director of Public Utilities to enter into a planned modification with Ohio Mulch for services in connection with the Deep Row Hybrid Poplar program for the Division of Sewerage and Drainage; and to authorize the expenditure of \$1,050,000.00 from the Sewerage System Operating Fund. (\$1,050,000.00)

WHEREAS, the Division of Sewerage and Drainage entered into a contract with Ohio Mulch for the purposes of providing a biosolids beneficial reuse program called Deep Row Hybrid Poplar (DRHP) program, and

WHEREAS, all biosolids removed from the Wastewater Treatment Plants will be Class B biosolids, with the majority of biosolids originating from the Southerly Wastewater Treatment Plant and with a smaller fraction of the biosolids originating from the Jackson Pike Wastewater Treatment Plant, and

WHEREAS, the biosolids will be utilized as a nitrogen source to grow hybrid poplar trees which will be later harvested for mulch. In addition, the biosolids will add valuable organic material to the old abandoned mine site that is now repurposed as the New Lexington Tree Farm. Approximately 30 acres will be utilized per year at the New Lexington Tree Farm site with trees being harvested every 6 to 8 years, and

WHEREAS, the procurement was conducted in accordance with the Request For Proposals (RFP) process set forth in Section 329.14, Columbus City Codes, 1959, and the Division's Evaluation Committee recommended Ohio Mulch, Inc., for further consideration, and

WHEREAS, the Director of Public Utilities received proposals on April 15, 2011 in response to the Division of Sewerage and Drainage Request For Proposals for Innovative Reuse of Biosolids and Ohio Mulch was awarded the contract, and

WHEREAS, the original contract was for a period of six (6) months through July 1, 2013 and upon mutual agreement and approval by the Columbus City Council, this contract can be extended for two (2) additional years on a year to year basis and funds availability, and

WHEREAS, at the end of contract modification 2, 30 months will have elapsed from the contract and the Division of Sewerage and Drainage and Ohio Mulch must choose to continue this contract by modifications(s) according to Plan-A or Plan-B, and

WHEREAS, the Division of Sewerage and Drainage wishes to extend and increase the current contract for one (1) additional year with a new expiration date of July 1, 2014, and

WHEREAS, the Department of Public Utilities, hereby requests this City Council to authorize the Director of Public Utilities to modify the agreement for professional services with Ohio Mulch, Inc. for the continuation of the Deep Row Hybrid Poplar program, from July 2, 2013 through and including July 1, 2014; now, therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Public Utilities be, and hereby is, authorized to enter into a planned modification of EL013611 with Ohio Mulch, Inc., for the continuation of the Deep Row Hybrid Poplar program, in accordance with the terms and conditions as shown in the agreement on file in the office of the Division of Sewerage and Drainage. Total amount of modification No. 1 is ADD \$1,050,000.00. Total contract amount including this modification is \$1,575,000.00.

SECTION 2. That this modification is in accordance with Section 329.16 if the Columbus City Codes.

SECTION 3. That the expenditure of \$1,050,000.00 or so much thereof as may be needed, be and the same hereby is authorized from the Sewerage System Operating Fund, Fund 650, Department/Division 60-05, to pay the cost of this contract as follows:

OCA: 605378

Object Level 1: 03

Object Level 3: 3419

SECTION 4. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.