



Legislation Text

File #: 2010-2012, Version: 2

This legislation authorizes the Director of Public Utilities to execute Contract Modification No. 6 to the Organic Waste Processing Agreement between the City of Columbus (City), Kurtz Brothers Central Ohio, LLC (Kurtz) and the Solid Waste Authority of Central Ohio (SWACO).

This Modification No. 6 will fund the following provisions and services to this contract. Modification No. 6 will be in effect from December 1, 2012 to and including ~~November 30, 2013~~ **February 28, 2013**.

A. Trucked Waste Disposal Facility:

Grant Kurtz Brothers Central Ohio, LLC the authority to design their facility to include the process of accepting trucked waste in addition to the fats, oils and grease (FOG) that they will be accepting under the terms of the original agreement. In so much as Kurtz was constructing a similar facility to the one operated by the Division of Sewerage and Drainage (DOSD) in the vicinity of Berliner Park, both parties agreed that it would be in their best interests to share a facility to accommodate both efforts thereby reducing costs and a duplication of services. This facility will be operated and maintained by Kurtz under the terms of this agreement ~~for a period of ten years~~.

B. Incinerator Ash Beneficial Reuse Program:

Grant Kurtz Brothers Central Ohio, LLC the authority to continue a beneficial reuse program for wastewater treatment incinerator ash that is generated by the City's two wastewater treatment plants. Ash has been historically stored at the treatment plants in lagoons and land filled at considerable expense to DOSD. This program will allow for up to 5,000 tons of wastewater treatment incinerator ash a year to be removed and adapted for beneficial reuse under this provision, at a rate of \$30.00 per ton, which is less than the current land filling cost to the City.

C. Fixed Rate Sewerage Sludge Processing Term:

Continue a fixed rate fee of \$33.50 per wet ton of sewerage sludge processing for the duration of this contract (10 + 5 year extension). This contract authorizes the transfer to the Organic Waste Recovery and Reuse System of up to 25,000 wet tons of sewerage sludge per year at this rate. This contract will provide DOSD with an additional beneficial alternative use option for sewerage sludge, ~~and should help avoid some of the costs associated with land filling sewerage sludge during planned and unplanned shutdowns of the City's wastewater treatment incinerator facilities.~~

1. Amount of additional funds: The amount of additional funds needed for this contract is ~~\$1,556,250.00~~ **\$745,000.00**. The original contract was established without funding. The total City cost of the original contract and all modifications is ~~\$4,943,750.00~~ **\$4,132,500.00**. This modification represents an extension of the contract period of December 1, 2012 through and including ~~November 30, 2013~~ **February 28, 2013**. ~~In the future there may be the need for increased funding to provide for the continuation of the Incinerator Ash Beneficial Reuse program and for the continuation of utilizing the additional beneficial alternative use option for sewerage sludge.~~
2. Reason for additional funds were not foreseen: The need for additional funds was foreseen, an extension is provided in the original contract. This legislation is to cover the funds budgeted for fiscal year 2012-2013 ~~through and including February 28, 2013~~ **through and including February 28, 2013** for the Division of Sewerage and Drainage.
3. Reason other procurement processes not used: This contract is for 10 years with a 5 year extension provided in the original contract. No lower pricing/more attractive terms and conditions are anticipated at this time.
4. How cost was determined: The cost, terms and conditions are in accordance with the original agreement as

modified.

FISCAL IMPACT: ~~\$1,556,250.00~~ **\$745,000.00** is needed and budgeted for this modification.

\$251,125.73 was spent from 1/1/2012 through 5/31/2012

\$723,501.36 was spent in 2011

\$137,701.80 was spent in 2010

\$150,000.00 was spent in 2009

SUPPLIER: Kurtz Brothers Central Ohio, LLC (20-3524137-002), Expires 11/2/12

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.

EMERGENCY DESIGNATION: The Division of Sewerage and Drainage is requesting City Council to designate this ordinance an emergency measure in order to allow for the immediate continuation of the contract and payments.

To authorize the Director of Public Utilities to modify and extend an agreement on behalf of the City of Columbus between Kurtz Brothers Central Ohio, LLC and the Solid Waste Authority of Central Ohio, for the design, construction and operation of the Organic Waste Recovery and Reuse System Project, to authorize the expenditure of ~~\$1,556,250.00~~ **\$745,000.00** from the Sewerage System Operating Fund, and to declare an emergency. (~~\$1,556,250.00~~ **\$745,000.00**)

WHEREAS, the City of Columbus is committed to providing environmentally friendly programs for the beneficial use of yard waste, sewerage sludge, fats, oils and greases and other waste streams from the community, and is continuously searching for alternatives to landfill disposal and to incineration; and

WHEREAS, the Division of Sewerage and Drainage, Department of Public Utilities, and the Solid Waste Authority of Central Ohio are desirous of establishing an Organic Waste Recovery and Reuse System (OWRRS) program to process municipal sewerage sludge, fats, oils, greases, food waste, animal waste, yard waste and other organic material; and

WHEREAS, the Solid Waste Authority of Central Ohio and the City of Columbus, utilized the Request for Statement of Qualification competitive procurement provisions of Section 329.13 of the Columbus City Codes for purposes of procuring a ten-year agreement for the design, construction and operation of the area's first Organic Waste Recovery and Reuse System; and had determined Kurtz Brothers Central Ohio, LLC, to be the highest ranking offeror; and

WHEREAS, Ordinance No. 1270-2005, as passed by Columbus City Council on July 25, 2005, authorized the Director of Public Utilities to enter into an agreement on behalf of the City between Kurtz Brothers Central Ohio, LLC, and the Solid Waste Authority of Central Ohio for the design, construction and operation of an Organic Waste Recovery and Reuse System project to process municipal sewerage sludge, food waste, animal waste, yard waste and other organic material; and

WHEREAS, Ordinance No. 1442-2006, as passed by Columbus City Council on September 18, 2006, authorized the Director of Public Utilities to execute a contract modification on behalf of the City and the Solid Waste Authority of Central Ohio and Kurtz Brothers Central Ohio, LLC, to allow for the selection of an alternative site for the OWRRS facility, and to extend the deadline for the construction of said facility; and

WHEREAS, Ordinance No. 1268-2009, as passed by Columbus City Council on October 26, 2009, authorized the Director of Public Utilities to execute a contract modification on behalf of the City and the Solid Waste Authority of Central Ohio and Kurtz Brothers Central Ohio, LLC, for purposes of incorporating additional public-private partnerships

including the development of a beneficial reuse of wastewater treatment incinerator ash and provisions for moving the City's Trucked Waste Disposal Facility location to the OWRRS site for purposes of allowing a mutual benefit between the contracted parties and its customers; and

WHEREAS, Ordinance No. 1519-2010, as passed by Columbus City Council on November 22, 2010, authorized the Director of Public Utilities to execute a contract modification on behalf of the City and the Solid Waste Authority of Central Ohio and Kurtz Brothers Central Ohio, LLC, for purposes of continuing the development of a beneficial reuse of wastewater treatment incinerator ash and provisions for moving the City's Trucked Waste Disposal Facility location to the OWRRS site, and for incorporating additional public-private partnerships including the development of a beneficial reuse of wastewater treatment sewerage sludge; and

WHEREAS, the parties to this agreement have determined it advantageous to enter into a contract modification; for purposes of providing the contract funding and extension necessary for the beneficial reuse program for wastewater treatment incinerator ash that is generated by the City's two wastewater treatment plants and for the additional beneficial alternative use option for sewerage sludge, and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, Division of Sewerage and Drainage, in that it is immediately necessary for City Council to authorize the Director of Public Utilities to execute a contract modification on behalf of the City and the Solid Waste Authority of Central Ohio and Kurtz Brothers Central Ohio, LLC, in order to allow for the immediate continuation of the contract and payments; now, therefore

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

SECTION 1. That the Director of Public Utilities is hereby authorized and directed to modify and extend a contract with the Solid Waste Authority of Central Ohio (SWACO) and Kurtz Brothers Central Ohio, LLC, for the design, construction and operation of an Organic Waste Recovery and Reuse System, to and including ~~November 30, 2013~~ **February 28, 2013**. Total amount of modification No. 6 is ~~ADD \$1,556,250.00~~ **\$745,000.00**. Total contract amount including this modification is ~~\$4,943,750.00~~ **\$4,132,500.00**.

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

SECTION 3. That the expenditure of ~~\$1,556,250.00~~ **\$745,000.00**, or so much thereof as may be necessary, be and the same is hereby authorized to pay Kurtz Brothers Central Ohio, LLC, in connection with the removal and hauling of ~~40,000~~ **5,000** tons at \$30.00 per ton of wastewater treatment incinerator ash for the continuation of a beneficial reuse program for the total of ~~\$300,000.00~~ **\$150,000.00**, and in connection with the sewerage sludge processing of ~~37,500~~ **17,761.194** wet tons at \$33.50 per wet ton of sewerage sludge for a total of ~~\$1,256,250.00~~ **\$595,000.00** and that the cost thereof is to be funded as follows:

Division of Sewerage and Drainage

Fund - 650
Dept/Div - 60-05
OCA - 605378
Obj Lvl One - 03
Obj Lvl Three - 3419
Amount - ~~\$1,556,250.00~~ **\$745,000.00**

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.

