



## Legislation Text

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**File #: 0297-2024, Version: 1**

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This legislation repeals and replaces Ordinance 3223-2023, which was approved by Columbus City Council on December 4, 2023. That ordinance authorized the Director of the Department of Public Utilities to execute contract modification No. 18 to the Organic Waste Processing Agreement between the City of Columbus (City) and Kurtz Brothers Central Ohio, LLC (Kurtz). Due to miscommunication and drafting errors, it authorized a modification without additional funding, as well as unnecessarily authorized an extension of the contract.

Additional funding is needed to support this contract in fiscal year 2024. The original contract was established as a ten-year contract with the option to renew for five additional years (authorized by Ordinance 1270-2005) at Kurtz' option, beginning from a contract term start date of December 1, 2010. Kurtz already elected to utilize this option, so Ordinance 3223-2023 did not need to authorize an extension.

The contract modification funds the following services and provisions through December 31, 2024.

### **Fixed Rate Sewerage Sludge Processing Term:**

This modification continues a fixed rate fee of \$33.50 per wet ton of sewerage sludge processing for the duration of this contract (10 years + 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 provides DOSD with an additional beneficial alternative use option for sewerage sludge.

### **Log Grinding:**

Modification #17, authorized by ORD 2856-2022, added a provision to fund log grinding services utilizing funds originally intended for hauling incinerator ash as part of a beneficial reuse program at the City's two wastewater treatment plants. Incinerator ash had been historically stored at the treatment plants in lagoons and land filled at considerable expense to DOSD. This program allowed for up to 5,000 tons of wastewater treatment incinerator ash a year to be removed and adapted for beneficial reuse at a rate of \$30.97 per ton, which was less than the land filling cost to the City. However, in 2015, the City ceased incineration of sewerage sludge, and thus incinerator ash generation, prior to the end of the contract.

### **Ash Hauling:**

This modification increases the contracted amount for ash hauling per terms of the City and Kurtz's negotiation over the remaining one-year of that provision of the contract. The City ceased incorporation of incinerator ash into its compost product ahead of that provision of the contract's end date, and these funds, in addition to the aforementioned log grinding, are the negotiated alternative.

1. Amount of additional funds: The amount of additional funds needed for this contract is \$338,808.00. The total City cost of the original contract and all modifications is \$16,814,453.00.
2. Reason additional funds were not foreseen: The need for additional funds was foreseen in the original contract.
3. Reason other procurement processes were not used: This contract is for 10 years with a 5-year

extension provided in the original contract.

4. How cost was determined: The cost, terms and conditions are in accordance with negotiated modifications to the agreement.

**SUPPLIER:**

Kurtz Brothers Central Ohio, LLC | Federal EIN on file| D365 Vendor #001253 | Expires 11/04/2024 | Kurtz Brothers Central Ohio, LLC does not hold MBE/WBE status.

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.

**FISCAL IMPACT:**

\$338,808.00 is budgeted and available for this modification. **This ordinance is contingent on the passage of the 2024 Operating Budget, Ordinance 3012-2023.**

\$519,317.29 was spent in 2023

\$648,113.21 was spent in 2022

To repeal and replace Ordinance 3223-2023; to authorize the Director of the Department of Public Utilities to modify an agreement with Kurtz Brothers Central Ohio, LLC for the design, construction, and operation of the Organic Waste Recovery and Reuse System Project to increase the contract amount and to remove the Solid Waste Authority of Central Ohio (SWACO) as a party to the agreement; and to authorize the expenditure of \$338,808.00 from the Sanitary Sewer Operating Fund. (\$338,808.00)

**WHEREAS**, the Solid Waste Authority of Central Ohio (SWACO) and the City of Columbus utilized the Request for Statement of Qualification competitive procurement provisions of Chapter 329 of the Columbus City Code to procure a ten-year agreement for the design, construction and operation of the area’s first organic waste recovery and reuse system, and 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 3223-2023, adopted by Columbus City Council on December 4, 2023, authorized the Director of the Department of Public Utilities to execute contract modification No. 18 to the Organic Waste Processing Agreement between the City of Columbus (City) and Kurtz Brothers Central Ohio, LLC (Kurtz); and

**WHEREAS**, that ordinance modified the contract without additional funding, as well as unnecessarily authorized an extension of the contract; and

**WHEREAS**, this ordinance repeals and replaces Ordinance 3223-2023, and authorizes the Director of the Department of Public Utilities to execute a modification with funding needed to support the contract in fiscal year 2024; and

**WHEREAS**, the Solid Waste Authority of Central Ohio is no longer a party to the contract; and

**WHEREAS**, this modification will allow for the continuation of a fixed rate fee of \$33.50 per wet ton of sewerage sludge processed for the duration of this contract (10 years + 5 year extension ending in 2025), the transfer of up to 25,000 wet tons of sewerage sludge per year at this rate to the organic waste recovery and reuse system, provides DOSD with an additional beneficial alternative use option for sewerage sludge via log grinding services, and increases the contracted amount for ash hauling per terms of the City and Kurtz's negotiation over the remaining one-year of that provision of the contract; and

**WHEREAS**, the expenditure of \$338,808.00, or so much thereof as may be needed, is hereby authorized in Fund 6100, Sanitary Sewer Operating Fund, in object class 03, Services, per the accounting codes in the attachment to this ordinance; and

**WHEREAS**, it has become necessary in the usual daily operation of the Department of Public Utilities, Division of Sewerage and Drainage to repeal and replace Ordinance 3223-2023, adopted by City Council December 4, 2023, to authorize the Director of the Department of Public Utilities to modify and increase the contract for an organic waste recovery and reuse system project on behalf of the City with Kurtz Brothers Central Ohio, LLC; **NOW, THEREFORE,**

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

**SECTION 1.** That Ordinance No. 3223-2023 is hereby repealed and replaced with this Ordinance.

**SECTION 2.** That the Director of the Department of Public Utilities is hereby authorized to modify and increase its contract with the Kurtz Brothers Central Ohio, LLC, 6055 C Westerville Road, PO Box 207, Westerville, OH 43081, by \$338,808.00 for the design, construction and operation of an organic waste recovery and reuse system, for a total contract amount, including this modification, of \$16,814,453.00.

**SECTION 3.** That this modification is in accordance with the relevant provisions of Chapter 329 of City Code.

**SECTION 4.** That, for the purposes described in Section 2 of this Ordinance, the expenditure of \$338,808.00, or so much thereof as may be needed, is hereby authorized in Fund 6100, Sanitary Sewer Operating Fund, in object class 03, Services, per the accounting codes in the attachment to this ordinance.

**SECTION 5.** 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 6.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this Ordinance.

**SECTION 7.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.