



Legislation Text

File #: 2856-2022, Version: 1

This legislation authorizes the Director of Public Utilities to execute contract modification No. 17 to the Organic Waste Processing Agreement between the City of Columbus (City) and Kurtz Brothers Central Ohio, LLC (Kurtz).

Contract modification No. 17 will be in effect from December 1, 2022 to and including November 30, 2023, and is the first iteration to not include the Solid Waste Authority of Central Ohio (SWACO), which declined to renew the contract this year. The contract modification funds the following services and provisions:

Fixed Rate Sewerage Sludge Processing Term:

The contract 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:

The contract adds 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 filing 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.

1. Amount of additional funds: The amount of additional funds needed for this contract is \$1,587,500.00. The original contract was established without funding. The total City cost of the original contract and all modifications is \$13,075,645.00. This modification extends the contract period from December 1, 2022 through and including November 30, 2023.
2. Reason additional funds were not foreseen: The need for additional funds was foreseen in the original contract. This legislation is to cover the funds budgeted for remainder of fiscal year 2022 through and including November 30, 2023 for the Division of Sewerage and Drainage.
3. Reason other procurement processes were 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.

SUPPLIER:

Kurtz Brothers Central Ohio, LLC | Federal EIN 20-3524137 | 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:

\$837,500.00 was budgeted for this modification. The Compost section budgeted for two other biosolids contracts that will not be encumbered this year, so there is enough funding available to cover the contract's additional log grinding provision.

\$626,441.05 has been spent year-to-date in 2022

\$969,699.51 was spent in 2021

\$1,165,070.53 was spent in 2020

EMERGENCY DESIGNATION:

This ordinance is being submitted as an emergency in order to avoid a lapse in organic waste hauling services. Passage of non-emergency legislation would result in a gap between the end of the current contract iteration and the start of this proposed modification. Negotiations over new contract terms, delayed in part because of the change from a three-party to a two-party agreement, have delayed the submission of legislation.

To authorize the Director of Public Utilities to modify, extend and increase an agreement with Kurtz Brothers Central Ohio, LLC for the design, construction and operation of the Organic Waste Recovery and Reuse System Project; to authorize the expenditure of \$1,587,500.00 from the Sewer Operating Sanitary Fund; and to declare an emergency. (\$1,587,500.00)

WHEREAS, the City of Columbus is committed to providing environmentally friendly programs for the beneficial reuse 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 incineration; and

WHEREAS, the Division of Sewerage and Drainage, Department of Public Utilities, and the Solid Waste Authority of Central Ohio were 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 Chapter 329 of the Columbus City Code 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 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, to incorporate additional public-private partnerships for the development of beneficial reuse of wastewater treatment incinerator ash and provisions for moving the City's trucked waste disposal facility to the OWRRS site; and

WHEREAS, Ordinance No. 1519-2010 and annual ordinances in the years 2013-2016 were passed by Columbus City Council authorizing modifications to the contract on behalf of the City and the Solid Waste Authority of Central Ohio and Kurtz Brothers Central Ohio, LLC, to continue the development of beneficial reuse of wastewater treatment incinerator ash and for moving the City's trucked waste disposal facility to the OWRRS site, and to incorporate additional public-private partnerships for the development of beneficial reuse of wastewater treatment sewerage sludge; and

WHEREAS, the City ceased incineration of sewerage sludge, and thus incinerator ash generation, at the Jackson Pike Wastewater or the Southerly Wastewater Treatment Plants in 2015; and

WHEREAS, Ordinance No. 2960-2017, as passed by Columbus City Council on December 4, 2017, authorized the Director of Public Utilities to extend the other provisions of the contract through November 30, 2018; and

WHEREAS, per mutual agreement of the parties, the services performed by Kurtz Brothers Central Ohio, LLC at the Trucked Waste Disposal Facility ceased on November 30, 2018 and the facility was relocated and the City assumed the responsibility previously performed by Kurtz on November 30, 2018; and

WHEREAS, Ordinance No. 3136-2018, as passed by Columbus City Council on December 10, 2018, authorized the Director of Public Utilities to extend the contract through November 30, 2019; and

WHEREAS, Ordinance No. 2888-2019, as passed by Columbus City Council on December 9, 2019, authorized the Director of Public Utilities to extend the contract through November 30, 2020, including providing the necessary funding for additional beneficial alternative use options for sewerage sludge generated by the City's two wastewater treatment plants, and for finalizing the beneficial reuse program for wastewater treatment incinerator ash; and

WHEREAS, Ordinance No. 2592-2020, as passed by Columbus City Council on December 7, 2020, authorized the Director of Public Utilities to extend the contract through November 30, 2021, including providing the necessary funding for additional beneficial alternative use options for sewerage sludge generated by the City's two wastewater treatment plants, finalizing the beneficial reuse program for wastewater treatment incinerator ash, and funding emergency processing services for organics; and

WHEREAS, Ordinance No. 2811-2021, as passed by Columbus City Council on December 6, 2021, authorized the Director of Public Utilities to extend the contract through November 30, 2022, including providing the necessary funding for additional beneficial alternative use options for sewerage sludge generated by the City's two wastewater treatment plants, finalizing the beneficial reuse program for wastewater treatment incinerator ash, and funding emergency processing services for organics; and

WHEREAS, Kurtz Brothers Central Ohio, LLC have determined it advantageous to enter into a contract modification to provide the necessary funding and time for the additional beneficial alternative use options for sewerage sludge generated by the City's two wastewater treatment plants; and

WHEREAS, the Solid Waste Authority of Central Ohio declined to renew the contract for the upcoming year; and

WHEREAS, the Division of Sewerage and Drainage wishes to extend and increase the current contract with Kurtz Brothers Central Ohio, LLC for one (1) additional year from December 1, 2022 through November 30, 2023; and

WHEREAS, this modification No. 17 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, and also provides DOSD with an additional beneficial alternative use option for sewerage sludge via log grinding services; and

WHEREAS, this modification will increase the amount of this contract by an additional \$750,000.00 for Organic Materials Processing per section 3.2.1.8 in lieu of ash hauling, through November 30, 2023; and this modification will increase the amount of the contract by \$837,500.00 for the processing of sewerage sludge per section 3.2.1 through November 30, 2023 for a total contract increase of \$1,587,500.00.

WHEREAS, the expenditure of \$1,587,500.00, or so much thereof as may be needed, is hereby authorized in Fund 6100, Sewer Operating Sanitary Fund, in object class 03, Services, per the accounting codes in the attachment to this ordinance; 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 to authorize the Director of Public Utilities to modify, increase and extend the current contract for an organic waste recovery and reuse system project on behalf of the City with Kurtz Brothers Central Ohio, LLC, in order to avoid a lapse in organic waste hauling services; now, therefore

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

SECTION 1. That the Director of Public Utilities is hereby authorized to modify, extend and increase a contract with the Kurtz Brothers Central Ohio, LLC, 6055 C Westerville Road, PO Box 207, Westerville, OH 43081, for the design, construction and operation of an organic waste recovery and reuse system, to and including November 30, 2023, and to provide payments for organic materials processing and sewerage sludge processing of up to 25,000 wet tons at \$33.50 per wet ton. Total contract amount including this modification is \$13,075,645.00.

SECTION 2. That this modification is in accordance with the relevant provisions of Chapter 329 of City Code.

SECTION 3. That the expenditure of \$1,587,500.00, or so much thereof as may be needed, is hereby authorized in Fund 6100, Sewer Operating Sanitary Fund, in object class 03, Services, per the accounting codes in the attachment to this ordinance.

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 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 6. 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.