

COUNCIL COMMUNICATION

From: The City Manager

Subject: Biotech Agronomics, Inc. Agreement

Manager's Recommendation:

I recommend that the three (3) year Agreement for biosolids land application services with Biotech Agronomics, Inc. (Biotech), be approved and that a purchase order be issued to them in an amount not to exceed \$602,700.00 for fiscal year 2009, not to exceed \$619,100.00 for fiscal year 2010, and not to exceed \$637,550.00 for fiscal year 2011. The Agreement is approved by the City Manager as to substance and the City Attorney as to form.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35 – 14.44, of the Saginaw Code of Ordinances.

The funds are budgeted in the Sewer Operation and Maintenance Account No. 590-4830-861.80-05 for fiscal year 2009 and will be budgeted in the same account for fiscal year 2010 and fiscal year 2011 respectively.

Justification:

On June 10, 2008, the City received bids for the removal and land application of the Wastewater Treatment Plant's Biosolids for the next three years. Biotech Agronomics, Inc. submitted the lowest bid to provide all agronomic services and land application the biosolids generated by the Wastewater Treatment Plant.

Biosolids are the residual materials removed from the wastewater during the treatment process. This material, after treatment and stabilization, is recycled as farm fertilizer. It is estimated that the process of land application will recycle 20.5 million gallons of biosolids each year. Following is a tabulation of the bids received:

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Biotech Agronomics, Inc.	FY2009	\$602,700.00 (\$0.0294/gallon)
	FY2010	\$619,100.00 (\$0.0302/gallon)
	FY2011	\$637,550.00 (\$0.0311/gallon)
Synagro Central, LLC	FY2009	\$637,550.00 (\$0.0311/gallon)
	FY2010	\$653,950.00 (\$0.0319/gallon)
	FY2011	\$670,350.00 (\$0.0327/gallon)

The FY 2009 bid represents a 2.2% increase over the FY 2008 annual cost. Increases in FY 2010 and FY 2011 are 2.7% and 3.0% respectively.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.