

# Late Backup

# 21

## CHRONOLOGY

### **IFBBV STA0184 – Beneficial Reuse of Fire Damaged Materials at Hornsby Bend**

#### **IFB STA1091 – Bio-solids Hauling Services and Land Application**

**Steve Aden- authorized contact person for both bids**

- June 7, 2013                    Greg Meszaros memo to City Council outlining next steps for management of 200,000 cubic yards of burnt and charred bio-solids materials held in four drying basins at Hornsby Bend Bio-solids Management Plant. Meszaros anticipates issuance of Best Value Bid process to manage materials through beneficial reuse. Mr. Meszaros estimated that it would cost \$6,000,000.
- June 17, 2013                Invitation for Bid Best Value (IFBBV) issued for Beneficial Reuse of Fire Damaged Materials at Hornsby Bend Bio-solids Management Plant (Solicitation No. STA0184). City staff estimated the volume of this material to be approximately 200,000 tons.
- July 3, 2013                    Deadline for fire damaged material bid IFBBV STA0184 extended from July 9, 2013 to July 16, 2013.
- July 15, 2013                Invitation for Bid (IFB) issued for Bio-solids Hauling and Land Application for Hornsby Bend Bio-solids Management Plant (Solicitation No. STA1091).
- July 16, 2013                Fire damaged materials bid response deadline and bid opening date for IFBBV STA0184. City received responses from Synagro and Texas Landfill Management, LLC (a sister company of TDS); respondents' pricing offers were made public at bid opening. Bid allowed respondents to compost, landfill or direct land apply all of the fire damaged bio-solid material as class B bio-solids.
- August 6, 2013                Bio-solids hauling bid response deadline and bid opening date for IFB STA1091. City received responses from Synagro and Terra Renewal Services. TLM/TDS did not bid because it already had a standing bid to compost all of the fire damaged material, does not provide land application services for class B bio-solids, the second bid only contemplated 15,000 cubic yards to be composted, and because the second bid appeared to not relate to the fire damaged bio-solids material.
- August 7, 2013                City canceled fire damaged material bid IFBBV STA0184 with the stated intent to reissue at a later date. Notice explicitly reminded respondents they were still bound by anti-lobby provisions.
- August 8, 2013                TDS submitted an open records request requesting copies of responses submitted to City for fire damaged material bid IFBBV STA0184.
- August 16, 2013              Public Information contact in City Purchasing Office notified TDS of the City's policy to not release bid submittals of canceled solicitations if the project is being rebid. Staff stated the City intended to rebid project within the next three weeks. As of October 15, 2013 fire damaged material bid IFBBV STA0184 has not been rebid by the City.
- October 17, 2013            Purchasing department is seeking City Council authorization for award and execution of a 12-month contract with Synagro to provide bio-solids hauling and land application services for bio-solids held in drying basins that contain the fire damaged material and belt press areas of Hornsby Bend Bio-solids Management Plant.

October 17, 2013

### Hornsby Bend Background Information

- All of the City's bio-solid sludge is accumulated at the Hornsby Bend bio-solids management plant. The City's primary process for management of these bio-solids is supposedly the Austin Water Utility run composting operation that produces Dillo Dirt for water conservation purposes.
- For many years the utility has maintained a contract with Synagro to haul off and direct land apply a certain amount of Class B bio-solids for agricultural purposes. This service can be characterized as a safety valve to prevent bio-solids sludge storage capacity being exhausted at a rate greater than the City's composting operation can process sludge into Dillo Dirt. The City must maintain storage capacity for sludge not composted, direct land applied or landfilled.
- When the mulch fire occurred in February and March of 2013, the five drying basins where sludge is stored were virtually full of bio-solids and yard waste/mulch.
- In an effort to increase the ability of the City to process more sludge through the preferred composting process, as part of a \$31,000,000 interest free loan from the Texas Water Development Board, the City spent \$7,000,000 to build a 15 acre expansion to its composting facility on-site at Hornsby Bend, doubling its composting area. The City's website states "The composting improvements will enhance onsite solids handling capacity, decrease offsite land application and reduce approximately 30,000 gallons of diesel fuel annually by 2012."
- It is unclear how much this major facility development has increased the percentage of total sludge that the City is able to process into Dillo Dirt. What is clear is that since the expanded composting facility has been in operation:
  - All 4 storage basins have been filled to capacity;
  - A fire occurred in early 2013 that the City paid \$3,000,000 to extinguish;
  - The City initiated and then canceled a solicitation for proposals for beneficial re-use of the contents of four of the five drying basins, which they characterized as containing "fire damaged materials"; and
  - Staff are now seeking approval of a contract to simply triple the traditional Synagro "safety valve" of hauling and direct land application, despite the fact that Synagro is currently contracted for these services through Sept. 2014, according to the City's Purchasing website.



## MEMORANDUM

**To:** Mayor and Council

**From:** Greg Meszaros, Director, Austin Water 

**Date:** June 7, 2013

**Subject:** Ratification of OMIES Contract to Extinguish Compost Fires at Hornsby Bend Biosolids Management Plant

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A ratification of the contract to extinguish the compost fires at the Hornsby Bend Biosolids Management Plant is scheduled for the June 20, 2013 City Council Agenda. The emergency contract for this work was awarded to OMI Environmental Solutions for a total cost of \$2,943,505.

On Monday, February 25, 2013, during a high wind event, the compost piles at Hornsby Bend Biosolids Management Plant experienced a major fire on the compost pad. The origin is believed to be spontaneous combustion but the fire spread rapidly due to the high winds (with gusts up to 50 mph). The Austin Fire Department responded immediately with an initial objective to prevent the fires from spreading and becoming a wildfire. The grasses surrounding the compost pads were kept watered to prevent sparks or embers from spreading the fire. Flare ups within the compost piles were doused with water. During the week, hot spots were extinguished but compost piles continued to smolder generating a large amount of smoke. The extent of the fires, about 35 acres, required specialized firefighting skills and equipment.

Austin Water declared an emergency and solicited the services of OMI Environmental Solutions (OMIES). OMIES began mobilizing resources on Saturday, March 2, 2013. On Monday, March 4, 2013, OMIES began extinguishing fires on site. By Thursday, March 7, 2013, the worse sections of the fire had been extinguished and a major part of the smoke was reduced. The fires were extinguished and OMIES began demobilizing on March 22, 2013. During the firefighting activities, 6.7 million gallons of water was used from on-site ponds, 4.9 million gallons of water was returned to the ponds and 1690 gallons of a wetting agent was used.

With the fire extinguished, Austin Water has developed a plan to dispose of the burnt and charred materials and reduce the risk of future compost fires. Anticipated next steps are as follows:

- The Hornsby Bend site has prioritized the clean-up and restoration of the basin used by Austin Resource Recovery (ARR) for yard waste grinding. With the expedited clean-up, ARR will be able to return to the site on July 1, 2013.
- It is estimated that there is about 200,000 cubic yards of burnt and charred materials left over following the fire. For comparison purposes, 200,000 cubic yards equates to approximately 10,000 to 12,000 haul trucks of material. This material is currently water logged and spread over a large area impacting the normal operations on the site. Austin Water is working with ARR and the Purchasing Department to utilize a Best Value Bid process to dispose of these residuals through beneficial reuse. The removal of the residual is expected to take two years and cost approximately six million dollars. Final disposal costs may be higher or lower depending on the method of removal utilized.
- Compost piles, by nature, are susceptible to spontaneous combustion and long term drought conditions have increased these risks. In response, Austin Water is taking steps to mitigate the risk and strengthen on site fire suppression capabilities. Action items include reconfiguring the size, shape, orientation and spacing of compost windrows to improve fire breaks and mitigate wind-induced fire risks. Fire suppression improvements include the purchase of water cannons, densifying the irrigation system network and analyzing specialized fire suppression materials. Austin Water will continue to work closely with the Austin Fire Department through these steps.

Should you have any questions or comments, please do not hesitate to contact me.

cc: Marc Ott, City Manager  
Robert Goode P.E., Assistant City Manager

**Adam Gregory**

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**From:** Adam Gregory  
**Sent:** Monday, October 14, 2013 5:03 PM  
**To:** [REDACTED]  
**Subject:** questions Re: IFB STA1091 and IFBBV# STA 0184  
**Attachments:** letter to Aden 10-14.docx

Mr. Aden,

Please see the attached letter. Thank you for your attention.

Respectfully,  
Adam Gregory  
Texas Disposal Systems, Inc.

October 14, 2013

Mr. Stephen Aden  
Corporate Purchasing Manager  
City of Austin Purchasing Office  
15 Waller Street, Room 309  
Austin, Texas 78702

**RE: Questions regarding solicitation numbers IFBBV STA0184, IFB STA1091**

Mr. Aden,

Soon after IFBBV# STA0184 for beneficial re-use of fire damaged bio-solids material at Hornsby Bend was canceled, representatives of our company, through the public information process, requested copies of the proposals from each company that submitted a response. We were told at that time that the responses, other than the rates proposed which became public on July 16, 2013, could not be produced because it was the intention of the city to re-bid the canceled RFP within three weeks of August 16, 2013.

You may also recall that I left you a telephone message regarding IFB# STA1091 for land application of bio-solids, on July 15, 2013, which was the day that the IFB was issued, and only one day prior to the bid submittal date for IFBBV# STA0184, when our proposed rates became public. We've just become aware that this solicitation is being recommended for award on October 17, 2013. Due to the remaining Anti-Lobby restrictions of IFBBV# STA0184, and the professed inability of staff to produce the responses submitted to that IFBBV, we have been left with several questions regarding these concurrent and seemingly overlapping procurements:

- Why was IFBBV# STA0184 canceled on August 7, 2013?
- According to the bid tabulation of IFBBV# STA0184, Synagro submitted an alternate bid of \$7,813,783 for all basins. Was this alternate bid for landfill disposal, or for beneficial re-use? If for beneficial re-use, specifically what process was proposed for this price?
- Does the City intend to re-issue a solicitation for beneficial re-use of fire damaged materials at Hornsby Bend BMP? If so, when? If not, does the city intend to close the bid?
- Is the subject material of IFB# STA1091 the same as the subject material for IFBBV# STA0184?
- Will the fire damaged bio-solids be managed through IFB# STA1091?
- Does the scope of work and associated contract for IFB# STA1091 potentially allow for all subject material to be landfilled?
- Is it the position of the City purchasing department that the contract currently recommended is the best rate and proposal they have received through a competitive solicitation for a similar scope of work?
- Is the contract for approximately 150,000 cubic yards per year currently recommended for award to Synagro intended to replace the currently effective contract for the exact same services held by Synagro for 40,000-50,000 cubic yards per year? Or, will this contract be in addition to Synagro's existing contract with the City?

We would greatly appreciate your prompt attention to these questions. As you know, we are required by the City's Anti-Lobby provisions to submit these questions only to you or at a public meeting.

Respectfully,  
Adam Gregory  
Texas Disposal Systems, Inc.

The information contained in this bid tabulation is for information only and does not constitute actual award/execution of a contract.

<p align="center"><b>BID TABULATION</b>  <b>CITY OF AUSTIN</b>  <b>BENEFICIAL REUSE OF FIRE DAMAGED MATERIALS AT HORNSBY BEND BMP</b></p>						
<p><b>BID NO.</b> STA0184  <b>RX NO.</b> 2200 13061000419  <b>DATE:</b> 7/16/2013 @ 3:00 PM  <b>BUYER:</b> Steve Aden</p>						
<p><b>Special Instructions:</b> Be advised that exceptions taken to any portion of the solicitations may jeopardize acceptance of the bid.</p>						
<b>Vendor Name</b>				Synagro of Texas	Synagor of Texas	Texas Landfill Management LLC.
<b>City, State</b>				Baltimore, MD	Baltimore, MD	Austin, TX
				Primary Bid	Alternate Bid	Primary Bid
ITEM NO.	ITEM DESCRIPTION	EST QTY	UNIT	LINE TOTAL	LINE TOTAL	LINE TOTAL
1	BASIN 1	1	EA	\$1,324,000.00		
2	BASIN 3	1	EA	\$1,018,000.00		\$1,398,748.00
3	BASIN 4	1	EA	\$1,042,000.00		
4	BASIN 5	1	EA	\$1,034,500.00		
<b>OPTIONAL BASIN GROUPING</b>						
5	ALL BASINS	1	LOT	\$4,323,000.00	\$7,813,783.00	\$4,799,979.00
6	TWO BASINS: _____ AND _____	1	LOT	\$2,315,000.00	\$4,407,115.00	\$2,564,472.00
7	THREE BASINS _____; _____ & _____	1	LOT	\$3,356,500.00	N/B	\$4,020,864.00
<b>NOTE</b>						
Synagro of Texas' Primary Bid Line 6, Bid on Basins 1 and 3				Texas Landfill Bid Item 6: Basins 3 and 4		
Synagro of Texas' Primary Bid Line 7, Bid on Basins 1, 3 and 4				Texas Landfill Bid Item 7: Basins 1, 3 and 4		
Synagro of Texas' Alternate Bid Line 6, Bid on Basins 1 and 3						

Certified by Stephen T. Aden



## CLEAN WATER: HORNSBY BEND BIOSOLIDS MANAGEMENT PLANT UPGRADES

**Program Name:** Clean Water State Revolving Fund (Austin Water - Hornsby Bend Biosolids Management Facility)

**Contact:** Jules Parrish, Austin Water Utility (Email)

**Federal Agency:** Environmental Protection Agency

**Federal Grant Name:** Clean Water State Revolving Fund - ARRA

**Award Amount:** \$31,815,000

**Type of Award:** Competitive

**Programs Supported:** Hornsby Bend Biosolids Composting Pad Expansion; Hornsby Bend Digester Upgrades and Plant-Wide Sustainability

### Program Description

After a competitive application process, the Texas Water Development Board awarded a zero-interest, thirty-year loan to the Austin Water Utility, totaling \$31,815,000, in November 2009. The loan will save Austin Water Utility customers approximately \$30.7 million in debt service payments. This award represents 80% of the total ARRA "Green Reserve" funding allocated statewide by the Texas Water Development Board through the Clean Water State Revolving Fund. The following green infrastructure projects at the Hornsby Bend Biosolids Management Facility will be funded with this loan.

**Compost Pad Expansion for Dillo Dirt Production - \$6,949,800.** Clean Water State Revolving loan funding will be used to construct a 15-acre concrete pad to double the composting area where Dillo Dirt is produced. Dillo Dirt is an award-winning product that results from one of the City of Austin's major recycling efforts. Curbside yard trimmings collected by Solid Waste Services are combined with digested biosolids and composted to produce a commercially available, Class A soil conditioner. The composting improvements will enhance onsite solids handling capacity, decrease off-site land application and reduce approximately 30,000 gallons of diesel fuel consumption annually by 2012.

**Biosolids Digesters and Plant-Wide Sustainability Upgrades - \$27,951,000.** Clean Water State Revolving loan funding will be used for biosolids digester upgrades and plant-wide energy efficiency improvements to substantially increase digester gas production and capture. Process control enhancements will optimize current energy consumption and improve odor control. Sludge dewatering improvements will provide for increased capacity and reduced operation costs. Plant-wide improvements to the heating and ventilation systems will reduce energy consumption and improve personnel safety. Electrical improvements will enhance plant-wide operational reliability. Most significantly, biosolids digester upgrades will increase process efficiency, reduce the use of petroleum-based polymers and enhance production and capture of digester gas, a renewable energy source that will ultimately be used to generate electricity. A separate biogas generator project in partnership with Austin Energy is anticipated to produce up to 1.75 MW of green electricity annually.

The total carbon footprint reduction from all ARRA stimulus loan projects is expected to be approximately 6,500 metric tons of CO<sub>2</sub> equivalent emissions per year by 2012.

**This project is complete.**

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