

## Bob Gregory

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**From:** Bob Gregory  
**Sent:** Tuesday, August 09, 2016 4:26 PM  
**To:** 'steve.adler@austintexas.gov'; 'ora.houston@austintexas.gov'; 'delia.garza@austintexas.gov'; 'sabino.renteria@austintexas.gov'; 'greg.casar@austintexas.gov'; 'ann.kitchen@austintexas.gov'; 'don.zimmerman@austintexas.gov'; 'leslie.pool@austintexas.gov'; 'ellen.troxclair@austintexas.gov'; 'kathie.tovo@austintexas.gov'; 'sheri.gallo@austintexas.gov'; 'brandi.burton@austintexas.gov'; 'amy.smith@austintexas.gov'; 'shannon.halley@austintexas.gov'; 'beverly.wilson@austintexas.gov'; 'david.chincanchan@austintexas.gov'; 'ken.craig@austintexas.gov'; 'joe.petronis@austintexas.gov'; 'michael.searle@austintexas.gov'; 'tina.cannon@austintexas.gov'; 'cj.hutchins@austintexas.gov'; 'katherine.nicely@austintexas.gov'; 'neesha.dave@austintexas.gov'; 'donna.tiemann@austintexas.gov'; 'john.lawler@austintexas.gov'; 'Lesley.varghese@austintexas.gov'; 'Taylor.Smith@austintexas.gov'; 'Louisa.Brinsmade@austintexas.gov'; 'Jackie.Goodman@austintexas.gov'; 'Ashley.Richardson@austintexas.gov'; 'Shelby.Alexander@austintexas.gov'; 'Joi.Harden@austintexas.gov'; 'bc-gerard.acuna@austintexas.gov'; 'Bc-cathy.gattuso@austintexas.gov'; 'bc-joshua.blaine@austintexas.gov'; 'bc-kendra.bones@austintexas.gov'; 'bc-stacy.guidry@austintexas.gov'; 'bc-heather-nicole.hoffman@austintexas.gov'; 'bc-jeff.jiampietro@austintexas.gov'; 'bc-shana.joyce@austintexas.gov'; 'bc-amanda.masino@austintexas.gov'; 'bc-ricardo.rojo@austintexas.gov'; 'bc-kaiba.white@austintexas.gov'; 'bc-William.Moriarty@austintexas.gov'; 'bc-Chien.Lee@austintexas.gov'; 'bc-melissa.Blanding@austintexas.gov'; 'bc-Christianne.Castleberry@austintexas.gov'; 'bc-Mickey.Fishbeck@austintexas.gov'; 'bc-Nhat.Ho@austintexas.gov'; 'bc-Annie.Kellough@austintexas.gov'; 'bc-Travis.Michel@austintexas.gov'; 'bc-Brian.Parker@austintexas.gov'; 'bc-Jesse.Penn@austintexas.gov'; 'bc-Susan.Turrieta@austintexas.gov'; 'marc.ott@austintexas.gov'; 'robert.goode@austintexas.gov'; 'bob.gedert@austintexas.gov'; 'greg.meszáros@austintexas.gov'; 'Daryl.Slusher@austintexas.gov'; 'jane.burazer@austintexas.gov'  
**Cc:** 'mwhellan@gdhm.com'; Gary Newton; Ryan Hobbs; Adam Gregory; Paul Gregory; Bob Gregory  
**Subject:** Agenda Items 25 & 26 - TDS Comments, Information and Items for Consideration

Dear Mayor and Council Members,

Staff is requesting your approval to negotiate and execute two contracts, under Items 25 & 26 of this week's Council Agenda, which represent a drastic shift in policy regarding future management of the City's biosolids waste, and which have the potential to significantly impact the regional market for organics processing and compost. Specifically, under Item 25, staff seeks approval to effectively end the award-winning Dillo Dirt program by transitioning to a much cheaper "agricultural composting" method, proposed by Synagro, for management of the City's biosolids waste. Very little detail has been provided that satisfies the numerous questions concerning the feasibility and costs, foreseen and unforeseen, of this proposed five to ten year plan. Also, the staff is requesting approval of Item 26 to sell up to 450,000 cubic yards of unscreened Dillo Dirt at an incredibly low rate of 86 cents per cubic yard. Such an infusion of below cost of production compost material would have serious repercussions on the local market for compost processing and organic materials, and would put existing area

composters at a distinct competitive disadvantage. I respectfully submit that the Council should delay approval of both of these items until much more detailed information is made available, including the proposed negotiated contracts for public review before a Council vote on contract execution.

Texas Disposal Systems, Inc. (TDS) would have responded to both of these solicitations; however, due to the staff's demonstrated misapplication of the City's Anti-Lobby Ordinance, and the coincidence of these contracts with other solicitations and issues before Council about which TDS must be able to freely communicate with staff and Council, TDS was forced to forgo the submittal of formal proposals to either solicitation. Furthermore, TDS' thirty year Waste Disposal and Yard Trimmings Processing Contract allows for TDS and the City to negotiate for the provision of composting services. TDS has extensive experience successfully operating biosolids composting facilities (San Antonio River Authority, City of Victoria and San Antonio Water System). Further, TDS has purchased the exact same material from the City as is the subject of Item 26 for the price of \$4.50 per cubic yard, and remains willing to do so if the Council would be willing to consider our offer or instruct staff to rebid the City's sale of its product without an Anti-Lobby Ordinance restriction. Nevertheless, the staff seeks your approval to sell this material for a bargain-basement price of 86 cents per cubic yard, and to forgo a more than \$1.6 million higher offer option for the City.

Currently the City composts approximately one third of its biosolids into Dillo Dirt due to the availability of only approximately 100,000 cubic yards of brush and yard waste needed as bulking agent. Bulking agent is basically mulch that must be mixed with biosolids sludge in order to provide structure, aeration and the carbon source for microbes whose biological process raises the temperature of a pile and creates compost over a period of time. Having sufficient volumes of bulking agent is absolutely essential to creating compost without causing serious odor issues. However, Synagro is supposedly proposing to compost 100% of the City's biosolids with only one half of the bulking agent per ton of sludge as the City currently uses, and is needed to fully and properly compost biosolids. Even if all the bulking agent material currently processed at Hornsby Bend were intended to stay there, Synagro would be far short of the amount necessary to compost 100% of the City's biosolids as they intend to. However, if the Council approves the expansion of curbside organic collection along with food waste, as the staff is requesting through the budget process, Synagro will have access to even less bulking agent material, as that will divert all curbside collected organics to one or more alternate facilities. Further, the unscreened compost that staff is requesting approval to sell contains a significant amount of "overs" or material that is still large enough to serve as bulking agent. That staff would seek to sell this "overs" material, which they need for composting and are short of, raises questions as to whether they truly considered what is necessary to maximize composting.

Further, the structure of the RFP for Item 25 calls into question the staff's stated preference for composting, as it effectively favors land application of unprocessed or barely processed sludge over conventional composting methods that are designed to produce a finished and stabilized compost product, due to the contractor payment structure insisted on by staff, which only pays the contractor after material is removed from the site. As reported to you yesterday, staff stated the process to produce a finished and stabilized compost product like Dillo Dirt, takes 6 ½ months. The RFP is fatally flawed in that respect. We believe that Synagro's proposed "agricultural composting" method should be more aptly called Class A land application, and is simply an unproven attempt to reach regulatory classification of sludge as Class A material with as little cost as possible, in an effort to relieve themselves of the strict permitting requirements and restrictions of Class B land application. We believe this method of "composting" is highly likely to fail; either due to major odor problems at Hornsby Bend, or a rejection of the product by farmers and surrounding neighbors in and around Travis County due to odors and contamination. Synagro and staff have not revealed any of the charge rates for alternative composting methods, land application of Class B sludge, or disposal of sludge, that would be effective in the likely event that their preferred and unproven method fails under a large scale production basis. However, current contract charge rates for land application of Class B biosolids are more than double the rate that staff has reported for the "agricultural compost" method. Staff and Synagro should be required to make the proposed charge rates public prior to approval of any contract. Synagro should also identify each and every facility where this same biosolids processing method has been implemented and information concerning each respective location.

TDS is proud to be a long standing partner with the City of Austin and is eager to work with the City on organic materials management and planning. Please take the time to review and consider the following important bullet points and supporting documentation regarding our request to delay approval of Items 25 and 26, and to direct staff to publish far more information regarding the City's available options and proposals, including all negotiated contracts, before seeking Council authorization to execute the contracts.

Sincerely,

Bob Gregory  
President & CEO  
Texas Disposal Systems, Inc.  
512-619-9127 (m)

**Points for Consideration with Supporting Documents Re: Items 25 & 26 on the 8/11/2016 Council Agenda:**

- Approval of Items [25](#) & [26](#) would be a major step backward for the City's organic waste diversion efforts and for the entire region's private composting market upon which a stable and growing competitive and affordable market largely depend. There are numerous unanswered [questions](#) related to these Agenda Items.
- Approval of these items would effectively amount to the death of the [Dillo Dirt program](#). This is a policy decision that should be made only after a public review of the negotiated contracts, a thorough discussion of the intended and potential unintended consequences before the affected commissions and Council committees, and with the full knowledge and consideration of the Council.
- Staff and representatives of Synagro have stated in the [7/13/2016 W&WW Commission](#) meeting that they intend to compost 100% of the City's biosolids under the proposed contract, utilizing what we believe to be an unproven half-baked composting method at a charge to the City of approximately \$15/cubic yard. However:
  - There is [not enough bulking agent currently available to the City to adequately compost 100% of the City's biosolids to the standards of Dillo Dirt](#).
  - There is [not enough bulking agent available to the City or Synagro to compost 100% of the City's biosolids to the much lower standard of "All Gro", Synagro's self-described agricultural compost product](#).
  - In our opinion, while Synagro's "All Gro" composting process may achieve regulatory classification as Class A sludge, the product will not actually meet the industry accepted definition of compost. See [definition of compost](#).
  - The City currently reports to generate 100,000 yards of bulking agent per year before being shredded. At [Synagro's reported mixing ratio of 1.5 cubic yards](#) of shredded bulking agent per cubic yard of sludge, they would need 150,000 cubic yards of shredded bulking agent for their "All Gro" Class A material and 300,000 cubic yards of shredded bulking agent would be needed for the Dillo Dirt compost processing method.
  - The City is also seeking approval through the budget process for expansion of the curbside organic collection, which will divert all bulking agent currently used at Hornsby Bend to other sites for food waste composting.
  - Without sufficient bulking agent, any composting process is very likely to cause significant odor problems and result in much more land application of Class B sludge. Significant odor problems have the potential to adversely affect [Austin Bergstrom International Airport](#) and surrounding property owners.
  - According to Synagro's representatives, the "All Gro" process does not involve any curing or screening of the compost product; but we believe is simply, and as cheaply as possible, designed to allow them to meet the requirements to designate that material as Class A sludge, which can be land applied without TCEQ permits, adherence to the [Chapter 62 Travis County Siting of Solid Waste Facilities ordinance](#), and without volume limits on land application.
  - Land applying uncured and unscreened Class A material will spread undigested bulking agent and non-organic contaminants, i.e. plastic trash, on farm land in the Austin area.
  - It is unknown what the price will be for alternative processing, land application of Class B biosolids sludge or disposal of the City's sludge in a landfill, if the proposed method of composting is unsuccessful, or has insufficient market demand due to problems associated with the product, or causes serious odor and environmental problems, as we believe is likely to occur, resulting in a staff directive to Synagro to land



apply all City Class B biosolids sludge. The cost to the City to have the Class B sludge land applied could be more than twice the cost of the contract identified within the agenda item and its RCA. See [current Synagro pricing](#).

- In 2009, the City spent approximately [\\$7 million dollars](#) received from the Clean Water State Revolving Loan Fund for expansion of the Dillo Dirt processing facility, for the stated purpose of promoting the Dillo Dirt program and limiting land application and truck traffic. Is the staff's plan of action appropriate given that significant investment, and its stated purposes?
- Synagro has reported the market for agricultural compost or "All Gro" is huge, but has yet to report a single contracted end user of the material in this market. Will odors and contaminants cause farmers to reject the material once they begin land applying "half baked" Class A material? Synagro should demonstrate process and end market acceptance of the "agricultural compost" before the Council approval of a long term contract for an untested large scale production of the product in our market. Synagro should also identify each and every facility where this same biosolids processing method has been implemented and provide information concerning each.
- Selling the City's current volumes of unscreened Dillo Dirt, under Item [26](#), at an incredibly low price of 86 cents per cubic yard (\$64,500/75,000 cubic yards of unscreened compost) would flood the market with below cost of production compost, effectively putting the areas open market composters at a distinct competitive disadvantage. [TDS has paid, and will commit to continue to pay \\$4.50 per cubic yard for this same material](#), if the Council will accept our unsolicited offer, which is \$337,500/year and \$2,025,000 for the 6 year potential term of the proposed contract. This unscreened material also contains a significant amount of bulking agent "overs", which is a large portion of the bulking agent needed for the efficient operation of a continuous composting process, further exacerbating the problem of a lack of available bulking agent. The staff [did not have to apply the Anti-Lobby](#) ordinance to this bid, yet they did so, knowing of TDS' concerns and that TDS would probably not respond to the solicitation.
- TDS was unable to respond to either of these solicitations due to the City's unreasonable interpretation of the anti-lobby ordinance, and the timing of these and other solicitations coinciding with issues before Council that TDS must be able to freely communicate with Council and staff about ([see overly broad solicitation on non-residential dumpster and rolloff services](#)). [This mis-interpretation and application of the anti-lobby ordinance](#) has caused TDS to refrain from bidding in many instances where our participation would have been to the City's benefit. However, TDS is the largest composter in the region and has managed several biosolids composting operations for over a decade. The Council could certainly direct staff to negotiate draft contracts with Synagro, Mr. Click and TDS prior to finally considering and approving any contracts for execution. TDS' existing thirty year [Waste Disposal & Yard Trimmings Processing Contract](#) explicitly allows TDS and the City to negotiate for provision of composting services. This would provide the City with more options, while also providing time for the appropriate Boards and Commissions, and Council committees to much more fully understand and evaluate these draft contracts in the context of the City's organics management needs.
- We believe that the likely failure of staff and Synagro's proposed "agricultural composting" method, due to the lack of sufficient bulking agent and curing time to properly compost 100% of the City's biosolids, will set the stage for City staff promoted flow control, and the creation of an unregulated public utility controlling commercial waste, recyclables and compostables. Staff may claim that such control is necessary to acquire the appropriate amount of yard waste, brush, construction/demolition waste and other waste usable as bulking agent.
- Please delay approval of these items until more information is available and the impacts of these contracts can be considered in the context of all the City's organics management goals. There is no urgent reason for approving these contracts at this time, since the City's [current contract with Synagro](#) has a 120 day holdover provision and this major shift in policy and how the City's biosolids are disposed of should not be rushed through in another August "black box" / bait & switch / too good to be true / trust the staff set of agenda action items.

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	60233	Agenda Number	25.
Meeting Date:	August 4, 2016			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a 60-month contract with SYNAGRO OF TEXAS-CDR, INC., or one of the other qualified offerors to Request For Proposals CDL2003, for the management of biosolids reuse in an amount not to exceed \$9,424,778, with five 12-month extension options in an amount not to exceed \$2,185,180 per extension option, for a total contract amount not to exceed \$20,350,678.				
Amount and Source of Funding				
Funding in the amount of \$1,775,200 is contingent upon approval of the proposed Fiscal Year 2016-2017 Operating Budget of Austin Water. Funding for the remaining 48 months of the original contract period and the extension options are contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) CDL2003 for these services on April 4, 2016 and it closed on May 19, 2016 with five offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information, including portions of the proposal are available upon request.			
Prior Council Action:				
For More Information:	Danielle Lord, Corporate Purchasing Manager, 512-974-2298			
Boards and Commission Action:	July 13, 2016 - Recommended by the Water and Wastewater Commission on a 6-1 vote with Commissioner Kellough voting against, Commissioner Lee abstaining and Commissioners Blanding, Parker and Penn absent.			
Related Items:				
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were insufficient subcontracting opportunities and an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.			

### Additional Backup Information

The contract is for the management of biosolids at the Hornsby Bend Biosolids Management Plant to be used for land application, composting, or other beneficial reuses. The contract will be managed in accordance with strict federal, state, and local regulations; and in a safe and environmentally responsible manner.

The Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) establishes requirements for the treatment, use, reuse, and disposal of biosolids generated during the process of treating municipal wastewater. Biosolids are the solid components of sewage which have undergone treatment and meet federal and state standards for beneficial reuse. The reuse of biosolids under this contract will follow standard management practices for land application and composting that will maintain or improve environmental quality and protect public health.

Synagro of Texas-CDR, Inc. will beneficially reuse a minimum of 100,000 cubic yards of Hornsby Bend biosolids annually. Synagro of Texas-CDR, Inc. is one of the nation's largest providers of biosolids reuse solutions. They have a local presence in Austin, and a national perspective on biosolids issues. They currently serve more than 600 local and county government clients across the United States with similar biosolids reuse programs.

An evaluation team with expertise in this area evaluated the offers and scored Synagro of Texas-CDR, Inc. as the best to provide these services based on experience and qualifications, proposed solutions, schedule and timeline, proposed cost, and local business presence.

This request allows for the development of a contract with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so Council may select another qualified offeror and authorize contract negotiations with this provider. Staff will return to Council for contract execution.

If the City is unable to secure a contract and an alternative for the processing of biosolids is not selected, there will not be sufficient City staff or resources to process all the biosolid material. If the biosolids are not processed, Hornsby Bend may not be in compliance with EPA and TCEQ regulations, which could lead to fines and administrative penalties for stockpiling and storing of biosolids improperly.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

SYNAGRO OF TEXAS-CDR, INC.				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	60	\$ 9,424,778	n/a	n/a
Extension Option 1	12	\$ 2,185,180	n/a	n/a
Extension Option 2	12	\$ 2,185,180	n/a	n/a
Extension Option 3	12	\$ 2,185,180	n/a	n/a
Extension Option 4	12	\$ 2,185,180	n/a	n/a
Extension Option 5	12	\$ 2,185,180	n/a	n/a
<b>TOTAL</b>	<b>120</b>	<b>\$ 20,350,678</b>	<b>\$ -</b>	<b>\$ -</b>



## AGENDA



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	60231	Agenda Number	26.
Meeting Date:	August 4, 2016			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a 12-month revenue contract with ALLEN CLICK, or one of the other qualified offerors to Request For Proposals JXP0501, for the sale and removal of compost material for an estimated revenue amount of \$64,500, with five 12-month extension options with an estimated revenue of \$64,500 per extension option, for a total estimated revenue amount of \$387,000.				
Amount and Source of Funding				
Revenue estimated in the amount of \$64,500 was included in the Fiscal Year 2015-2016 Operating Budget of Austin Water based on the current revenue agreement.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) JXP0501 for these services on March 28, 2016 and it closed on May 3, 2016 with two offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line.			
Prior Council Action:				
For More Information:	Joshua Pace, Buyer II, 512-974-3127			
Boards and Commission Action:	July 13, 2016 – Recommended by the Water and Wastewater Commission on an 8-0 vote with Commissioners Blanding, Parker and Penn absent.			
Related Items:				
MBE / WBE:	This revenue generating contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.			
Additional Backup Information				

The contract is for the sale of compost material that has been compiled at the Hornsby Bend Wastewater Treatment Plant. The material is a mixture of unscreened biosolids, and green waste collected by Austin Resource Recovery. The compost is processed to reduce pathogens and ensure the material meets Class A standards for biosolids. Austin Water estimates the sale of 15 compost piles per year; each pile consists of approximately 5,000 cubic yards of compost material.

An evaluation team with expertise in this area evaluated the offers and scored Allen Click as the best to provide these services based on the estimated revenue to the City, compost removal and reuse plans, contingency plans, and local business presence.

This request allows for the development of a contract with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so Council may select another qualified offeror and authorize contract negotiations with this provider.

Stockpiling of this material for extended lengths of time poses risks. If a contract is not secured, Austin Water will need to seek an alternative method of removing these materials in which we may be required to pay for the removal rather than to be paid.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

ALLEN CLICK				
	# months	Revenue Amount	Contract Amendment	Revised Amount
Original Term	12	\$ 64,500	n/a	n/a
Extension Option 1	12	\$ 64,500	n/a	n/a
Extension Option 2	12	\$ 64,500	n/a	n/a
Extension Option 3	12	\$ 64,500	n/a	n/a
Extension Option 4	12	\$ 64,500	n/a	n/a
Extension Option 5	12	\$ 64,500	n/a	n/a
<b>TOTAL</b>	<b>72</b>	<b>\$ 387,000</b>	<b>\$ -</b>	<b>\$ -</b>



Agenda Item 25:

- Does the current Synagro contract have a 120 day holdover period option available to the City, which can extend the contract expiration from November 17, 2016 to March 17, 2017?
- Under the proposed contract related to Agenda Item 25, does Synagro intend to adequately cure the agricultural compost and screen it to create a compost product that meets the US Composting Council's definition of compost? Will their product meet the definition of compost when it leaves the site, if it is not cured and screened before shipment offsite?
- If Dillo Dirt takes 6 ½ months to compost, cure and screen, how can Synagro's process to make All Gro agricultural compost be accomplished in two to four weeks? Are they making compost or just heat processed biosolids sludge, which can be land applied without a TCEQ permit for land application on the particular site, without limits on the amount of the sludge applied, and without the need for a biosolids land application site variance being granted by the Travis County Commissioners Court per the County's solid waste facility siting ordinance?
- Where else specifically has Synagro done large scale agricultural composting of Class B biosolids sludge (i.e. 100,000 tons of biosolids per year) and are receptors (residents, businesses and public access facilities, like Austin's airport) as close to those biosolids sludge processing facilities?
- What is the Class B land application proposed per ton charge to the City in the proposed Synagro contract? And, what would be the City's cost to land apply all its Class B biosolids through land application?
- If only 30% of the yard waste and brush going into the Hornsby facility comes from residential curbside collection, where does the other 70% of the yard waste and brush going into the Hornsby facility come from?
- Does Austin Water have enough bulking agent to supply Synagro to compost all of the City's biosolids into Dillo Dirt, or as Synagro's agricultural compost, All Gro, with and without the curbside collected yard waste?

Agenda Item 26:

- Could the sale of unscreened Dillo Dirt for the low cost of \$0.86 per cubic yard flood the market with below the cost of production biosolids, thus placing one contractor at the significant competitive advantage over other composters in the area?

Agenda Items 25 & 26:

- If City Council decides to only authorize staff to negotiate with both contractors and bring back the negotiated contracts for review and consideration by the ZWAC, the Water and Wastewater Commission, and by one or more Council committees, how long would it take staff to negotiate these contracts for publication and consideration by these groups?
- Will Austin Water continue to make Dillo Dirt compost with its own employees and equipment, even if Agenda items 25 and 26 are eventually approved by Council?



## July 13, 2016, Water & Wastewater Commission

**Item 1.** Recommend approval to negotiate and execute a 12-month revenue contract with ALLEN CLICK, or one of the other qualified offerors to Request For Proposals RFP 2200 JXP0501, for the sale and removal of compost material for an estimated revenue amount of \$64,500, with five 12-month extension options with an estimated revenue of \$64,500 per extension option, for a total estimated revenue amount of \$387,000

**Item 5:** Recommend approval to negotiate and execute a 60-month contract with SYNAGRO OF TEXAS-CDR, Inc., or one of the other qualified offerors to Request For Proposals CDL2003, for the management of biosolids reuse in an amount not to exceed \$9,424,778, with five 12-month extension options in an amount not to exceed \$2,185,180 per extension option, for a total contract amount not to exceed \$20,350,678.

### Citizen Communication

**William Moriarty:** Our first item to consider is Citizen's Communication, and Felicia, do we have any speakers? And we have one person signed up to speak on two items and I welcome to the podium for three minutes, Robin Schroeder? Schneider, excuse me.

**Robin Schneider:** Do you want me to speak for Items 1 and 6, or speak when you take them up?

**William Moriarty:** You speak now.

**Robin Schneider:** Okay, that's different than how some of the other commissions do it. My name is Robin Schneider, I'm the Executive Director of Texas Campaign for the Environment. I'm concerned about Items 1 and 5 and the impact that these contracts are going to have on the City's programs dealing with sludge, biosolids, and Dillo Dirt, and composting. This has been an award winning program for the City of Austin. The City was the first city in the country to develop biosolids into a compost product, and it seems like this is – we're not taking a comprehensive look at what's happening. Over in the Austin Resource Recovery side we have composting that will increasingly include food waste composting, which cannot be taken to Hornsby Bend, so the yard waste and the food composting is going to other facilities that have the permits to handle food waste. But we've been assured in our talks with Austin Resource Recovery that the Dillo Dirt would continue because materials collected by Austin Energy, when they trim the trees, and Public Works, would be going to Hornsby Bend to continue the Dillo Dirt. From the looks of this, it looks like it more and more is going to go to land application, which we think is not the highest and best use of this, that is inspiring revolts in Fayette County and in Bastrop County where there have been permits submitted and now withdrawn, to do sludge dumping in those communities of Austin sludge, and instead we should be looking, this is a 20 year contract on Item #5. We're locking ourselves into a potential boondoggle like the Austin Energy biomass plant in Nacogdoches, which has been a tremendous blunder. We need Austin Resource Recovery and ZWAC to work with you folks, and Austin Water and Wastewater to take a comprehensive look at what we're doing with our resources, and putting them to the highest and best use. I spoke with a guy who spends time in Texas and in California, where they are now taking methane gas generated from the biosolids in the Imperial Valley, putting certain microbes in there to produce gasses that they can extract hydrogen, for hydrogen fuel cell vehicles. California, of course, is way ahead of Texas on that, but hopefully will be coming to us soon. We don't want to lock ourselves into a 20 year contract with Synagro and potentially deny ourselves future opportunities that are much better than dumping our sludge on communities outside of the City limits. So I really hope that we can take a step back, and especially not push this through in an early August vote at the City Council, which is how that biomass plant got pushed through. So we need to take a much more comprehensive view of this. You should have received an email from us that we've sent to City Council today, with Clean Water Action which stands with us in this effort. And we really urge caution and for you to delay; take some time to meet with ZWAC, which is actually meeting at the same very time; meet with some folks from ZWAC, which has an Organics Committee, which probably would be the appropriate spot, and to take a step back from rushing through on these contracts. They do not seem designed to do the City well financially. In the past Dillo Dirt has sold for a much higher amount than it's selling now, because the Water/Wastewater is not screening it, so it's selling for less than \$1 per, whatever unit they use, I



can't remember off the top of my head. On the website of Austin Wastewater they have 76 vendors for the Dillo Dirt, and in the past they've sold this material for much more, like \$12 or more, and so it seems like the Dillo Dirt program, with the departure of the staffer who was really the pioneer and the champion, has really affected how this program is viewed by the Department, and how it's being carried out, and it seems to me, decreasing it radically if not totally dismantling the program that has won all kinds of awards. Maybe we need a public-private partnership to deal with this material, but this we strongly oppose the Item #5 and Item #1 and urge you to take a step back and look at this comprehensively. I'd be happy to take questions.

**William Moriarty:** We are not able to ask you any questions, so, but thank you for your time.

**Robin Schneider:** Oh, this commission runs really strangely.

**William Moriarty:** Thank you very much.

#### **Item D1 and Item D5**

**William Moriarty:** Now let's take up the individual items starting with Item D1. Questions from, Chien, do you have questions on that one? All right, questions Annie Kellough and me, who else? And Christianne, sorry, go ahead.

**Christianne Castleberry:** Okay, Hi. I obviously would like to hear just a little bit of a background, after what we just heard today, I mean, Item 5 and 1 have kind of an been tied together, but I'd like to hear a little bit just about the utilities view and perspective, and also, I need to create this list but, highlight procedurally, these are 12 month extensions/options. Doesn't that mean we have an option to *not* do it?

**Jane Burazer:** Yes.

**Christianne Castleberry:** Okay, I wanted to clarify that. We're not bound to do anything beyond each extension, for one year. Okay.

**Jane Burazer:** So on number, on Item 1, about the sale of the materials, this is essentially it is unscreened Dillo Dirt material that is stockpiled, because we're not getting the purchases of the Dillo Dirt to move it as Dillo Dirt. As you recall a few years ago when we had too much material stockpiled on site, that's when it led to a fire, so our goal is to keep our inventory low. The TCEQ regulations is our inventory has to be under 2 years. We are trying to keep that lower to keep the risks and dangers down. If we could move it as Dillo Dirt, we would love to move it as Dillo Dirt, but we are not getting those sales. They declined considerably during the drought because people weren't doing work on the landscaping. We have made quite a few efforts to try to be able to move the Dillo Dirt more. We had gotten our Dillo Dirt certified through the U.S. Compost Council so it now could be used in a TXDOT contract, but they are not coming, they are not asking for that, nor are any of the subcontractors. We have met with quite a few of our vendors on issues and we have tried making some of the changes that they have asked for in order to move it, but again, we're still... though we are seeing an increase in Dillo Dirt sales this year, it's not up to what it had been prior to the drought. And again, we don't want to stockpile too much and have the risk of another fire.

**Christianne Castleberry:** And, has somebody evaluated the potential of sales increasing if we were to screen it?

**Jane Burazer:** Well, when we get the Dillo Dirt sales in we screen it and load it as the Dillo Dirt.

**Christianne Castleberry:** Oh, so it is, okay, so it is screened.

**Jane Burazer:** No, this is not screened. I'm saying as a Dillo Dirt sale comes in, we then screen that as we load it.

**Christianne Castleberry:** Okay, so the Dillo Dirt is screened.

**Jane Burazer:** Yes. The Dillo Dirt is screened. This is not screened. It is a Class A biosolid, so it is a safer product than the Class B, but it is not screened. It still has chunks of stuff.

**Christianne Castleberry:** And, based on what other utilities are doing, I mean, do you... because I had the impression Austin Water was pretty cutting edge in our biosolids. I mean, are people doing more than what we're doing? Are they able to move it, and get rid of their inventories?

**Jane Burazer:** Not all cities have a composting operation. I think the other city in Texas most known for their composting operation is Plano. Plano bags and markets outside of their area. We work with wholesale customers. We don't try to compete against our wholesale customers. And that's been an issue that's come before the legislative session the last three times, is whether or not we should be allowed to even sell our compost materials, and have it leave outside of our region, and how that sale should go. We've gone in every time to testify for that because, again, we are not competing on a retail level, we're competing on a wholesale level. But we are dependent on them wanting the product.

**Greg Meszaros:** Jane, and maybe we might want to have Synagro come up since Item 1 and 5 are connected in the sense that they are both Hornsby. And maybe you could give the Commission a broader vision of what you feel, or where we're going, with the whole biosolids, and what our goal is and how, because land application's been brought up... and I think we're really on a path to achieve a higher level of performance with regards to Class A and composting.

**Jane Burazer:** So kind of give the history of how we got here...

**Greg Meszaros:** Yeah, so put it in a bigger picture context, and why don't we have, is a representative from Synagro here today? So can we have the Synagro representative come up? Please come up to the table.

**Jane Burazer:** And I'll give the background. You know, currently we produce about a hundred thousand cubic yards of biosolids at the Hornsby Bend facility. We do generate methane and we use that to generate electricity, and some of that is used to provide the heat for our boilers on site. So we are, our goal is to beneficially reuse everything that we can. To date, about 1/3 of what we produce goes into making the Dillo Dirt, and then 2/3 had been being land applied, up till now. We originally, most of the land application back in the 90's was occurring within the plant grounds; we have 1,200 acres out there. We had an exemption that allowed for research so we could load at different rates. We do not do that anymore, that was removed. And we also had the, in the early 2000's, we were able to do land application at the Weberville site owned by Austin Energy. And we had contracted that out because we did not have the equipment and the man power to do that. So we have been doing land application for over 15 years, and offsite since at least 2001, I believe it was, the 2001-2002 year. When we lost the ability to do the land applications on all the City sites we did go out with a contract to have it land applied outside. Land application is still considered a beneficial reuse of the product because the next step would be landfill, and we did not want it to go to landfill. We have always stayed on top of and explored other options but many of those are very costly, like heating and drying, incineration, and all the other options that are out there. The current contract we have is with Synagro. This last year, or last time, it was a couple of years ago in 2014, we went out for a requests for bids. In a request for bid we have to be very specific about what we want and we had asked predominantly for land application, but we did put caveats in there for a certain amount of agricultural composting, which they had begun doing at the Hornsby Bend site. And the agricultural composting is, it's cheaper, it's faster, it's a faster turnover than the Dillo Dirt process is, and it's gone very well, but we felt we had to restrict how much of that they could do, both on space available for that as well as if we had done too much that would have, it would have changed the outcome of the actual, the original bid to where somebody else may have been the lower bidder so we felt like we had to manage the contract to within, to be fair to the other bidders that had bid. And we went into the agricultural composting with some unknowns, because, do you have the market for that? Prior to this bid, this time actually we didn't bid it, we went out for a request for proposals. In this case, you know, we had been looking at it... for us it's harder to compete with private industry in this field because we don't have the same flexibility they have. We don't have the marketing to go out to do the sales. When we want to get major equipment it can take two to three years. As you know, our budget process starts in April, the budget's approved in October, then when the orders are placed for specific large equipment, it can take up to a year. So we don't have the same flexibility to grow as things grow. And we did get into a bind when our amount of biosolids went up drastically when we were having, boy it's going to get convoluted, but we were having some issues with alkalinities at Walnut. Walnut said, "Hey Davis, can you send us some of your lime residuals?", which they did. Helped Walnut out but all that residual then ended up at Hornsby and we

end up with more solids than we normally had. We ended up with a stock... a backlog of stuff. And we didn't have the ability to just change a contract to move all that out. We have, it's very restricted. So, we have now, since the fire, through the creativity, in my opinion, the creativity of plant staff, we have looked at every way to try to bring that down. You know, we originally went out with a Request For Proposal, on how to get rid of the burnt materials. The costs that came back were much higher than we had anticipated, as well as not all of the options we were given were beneficial reuse, there was a lot of landfilling. So we went with the contract that we would normally have for land application but we increased our spending authority within it. So we've used land application, they've done the agricultural composting, we've looked at ways, sometimes when material sits out in a basin a long time, the UV will, it will end up a Class A biosolid so we can essentially give that away, which is cheaper than having it removed, or landfilling, or even making the Dillo Dirt, so we have moved solids that way. We have moved some by selling the unscreened piles, so we have through that gotten the stock pile of materials out there down to a very manageable level and now where we have much less risk of fire. Prior to doing this we had met with Purchasing on what our options are on how to go out. They told us that we could have some meetings with some of the major vendors in this arena, so there were meetings with Synagro, with TDS, and with New Earth, who had expressed interest in stuff, to say "What are, kind of... how should we frame this?" And it was very clear that we need a longer term contract because anything anyone would do they have to make a capital investment coming in, or they have to develop markets. So coming in cold makes it hard. If you're developing a product, you have to sell the product. If you're bringing something else, you've got the capital investment of the large equipment to bring in and the best way to get the best price is to normalize that over a longer period of time. We so went with a Request For Proposal, in which we gave the scope of what we wanted done. And obviously one of our goals is the beneficial reuse of the materials, but that's a wide array of ways to meet that. We received five bids. Four, one was deemed nonresponsive, so we analyzed four of them. And we did get a wide array of options out there. The subject matter experts within the utility evaluated the experience of the companies, the experience of the major players, and the proposals, the proposed solutions. The Purchasing analyzed the cost and the other options, some timeframes and stuff. So those scores are then combined and then the person with the best scores, who is then recommended before you today. Now because these are Requests For Proposal some of the information coming in on the proposals is confidential and proprietary, and that's why we cannot speak about them but Synagro can. Now he would be speaking on #5. Are you wanting to hear all of together now, both 1 and 5? Or how do you want to handle this?

**William Moriarty:** I think that's productive. So let's, for the moment, we'll vote on them separately, but let's, I think this discussion can be lumped. Commissioner Castleberry, please proceed.

**Christianne Castleberry:** Well, I guess I would like to hear then, thank you for the background and giving us an idea of the thought and the plans that the utility had.

**Jane Burazer:** I should point out something that I can talk about, 5 more. We, in looking at it to show, you know, comparing it to the previous contract that we had, in the contract we currently have with Synagro we pay, I believe \$32.90 a cubic yard for land application, and \$25 a cubic yard for the agricultural composting. In this new proposal it's, I believe, \$17, no it's 15 something, I've got it in here, it's 15 something a cubic yard. So when you take the 100,000 cubic yards that we're looking at, the savings alone, if you were just to use the agricultural composting from the existing contract compared to here, that's a \$900,000 a year savings. Plus we would not have to do as much, have the maintenance and operations of our fleet, so that would save us further. So we would incur over a millions of savings per year going with this contract.

**Greg Meszaros:** So let me interject before we get into more specifics. Our goal with this contract was twofold. One, as Jane described, for the last 15 years we have been disposing of biosolids through a combination of two methods: composting and land application. Our goal with this contract was to dispose of biosolids by composting predominately, that we want to reduce the amount of land application that we currently do, and have done for 15 years. So, ideally we'd like to get where every single pound of biosolids goes out through some kind of composting method, that that's our goal. Not to increase land application...

**William Moriarty:** When you say "composting", Greg, that means Dillo Dirt.



**Jane Burazer:** Not necessarily.

**Greg Meszaros:** Well, there's various forms of composting. There's agricultural compost, which isn't as refined, screened product. Dillo Dirt's the very high, top end, kind of thing. We didn't want to be constrained and say it only has to be highly clean Dillo Dirt, if we can get it through agricultural composting, whatever way we want, but we want to get away from land application as much we possibly can.

**William Moriarty:** Because land application makes the neighbors crazy.

**Greg Meszaros:** Yes, it's a little less desirable. It's better than hauling to a landfill but it's not as desirable as composting. And we've always done it, I don't want to indicate that we've never done it, we've always done land application but we're looking to reduce that amount of land application that we do. You know there's been a lot of articles in the paper recently, one of the bidders was trying to set up a new land application site in various counties around here. That's not the person we're recommending the award go to; that was a different vendor from who we're recommending this award to. So our goal, you know, I think what the speaker was saying is like "Do more composting", we agree, we want to do more composting, we're just saying, don't just limit that to Dillo Dirt because the market for Dillo Dirt isn't there like it used to be; we can't move that amount of highly screened Dillo Dirt. And it's expensive to create Dillo Dirt, it's very expensive to create Dillo Dirt. So that was one goal. The other goal I had was we started this, we want to reduce costs because it's very expensive to run Hornsby. The windrow turners, the equipment, these are million dollar pieces of equipment. We have a lot of space, we have pads, it's very expensive, so our home run was increase composting and decrease cost. If we could do that we felt we had a good solution. And it think that's the solution we're bringing to the table today, is increase composting, significantly increase composting...

**Jane Burazer:** We didn't require that, though. Our ultimate goal was Class A, and there were other options that were provided by some of the...

**Greg Meszaros:** We didn't constrain the market, our perspective, I mean, in the end we could choose not to enter into contracts if we didn't kind of get the right configuration...

**Jane Burazer:** Right. That's correct.

**Greg Meszaros:** So we think we're bringing to the table a solution that is achieving both of those methods. So I just wanted to lay out our big picture goals with regards to this. It was not to start more land application, it was to decrease land application and hopefully also to stabilize or reduce costs. And with that, you know, maybe you could go into some more details of how we think we achieve that, or Synagro could do that.

**Jane Burazer:** I can't say what Synagro...

**Andrew Bosinger:** I'm happy to give you our perspective on it. We have been doing land application...

**Greg Meszaros:** Have you introduced yourself?

**Andrew Bosinger:** I'm sorry, yes, sorry, my name is Andrew Bosinger, I'm responsible for business development for Synagro. I've been responsible for our performance under the Austin contracts for the last 8 years. We have done land application for years, and in the recent contract we've been doing both land application and what's been referred to as agricultural composting. And what that means is we're addressing a specific segment of the market, and that means meeting the requirements to make a Class A product in the least cost manner, and not refining, not making big investments in the product to get it out to a big market. So agriculture is a huge capacity market. You can put a lot of compost product into agriculture but farmers don't like to pay a lot for it so the key from the private sector side, when we looked at this proposal we evaluated a number different options. Synagro is, you know, we have about 600 customers around the United States where we provide biosolid solutions. We operate 16 large scale facilities using all the newest and best technologies. So, we're a service company. We don't care what the technology is, we look for what the right solution is for that particular customer, and when we looked at Austin we said, "You have an existing compost pad; an existing asset that is operated extremely well for a long period of time; it's kind of a flagship in the business. I've

been doing this for 20 something years and everybody knows Dillo Dirt in this business, and what we saw was an opportunity to do some optimization because Dillo Dirt is a high quality product that, as the Director indicated, is expensive to make. So what we saw an opportunity to come in and use the private sector flexibility. We can bring investments in capital, and was also said, you know, we need a little bit of longer contract term to recover that, but by doing that we can match the product to the market. So if the market needs, when people aren't buying high end compost for planting and things like that, you still need to move the product, so we can keep costs low, make an agricultural product, and move it out quickly and efficiently to the market. Then, when the market is ready for a higher end product to sell, we can invest more in it; invest more people and equipment, resources and time, make that high end product and match it. You know, similarly, and match the product to the market. Similarly, so, you know one of the things that the private sector can do pretty well that the public sector has more challenge with, is pricing the market. You know, Dillo Dirt has sold consistently at one price. Well that's great, because it's consistent and the public knows what to expect, and that's good public policy. But one thing that we would intend to do is to price the market, what the market will pay. And sometimes that'll be more than what is currently charged for Dillo Dirt; and we have our own brand, we would sell the product under our brand, which is called All Grow, and we've established that nationally. You know, we sell more biosolids based compost than any other company in the country, and, you know, sometimes it will be more than Dillo Dirt, sometimes it will be less, but you know, we can optimize pricing, we can match the product to the market and ensure consistent flow. And we wouldn't be paid under the terms of this contract until the product goes to market, so there's an incentive for us to keep product moving, keep inventories low on the site, and to avoid, kind of, the stockpiling and backlog issues that have been a challenge for Hornsby Bend in the past few years.

**Greg Meszaros:** Yeah, let me speak on stockpiling. We can never get to the point again where we are stockpiling like we were. That fire was a disaster. It took us 3 months to put out; I can remember, we spent \$6 million?

**Jane Burazer:** Four million.

**Greg Meszaros:** Four million dollars to put out. We don't want to do that again. We finally got the inventories low, and manageable, and we're poised to increase composting and Class A, and I think stabilize and even reduce our cost, and simplify our equipment needs, and we feel this good for the environment, and good for the utility, and good for our rate payers and that's why we're bringing it forward now with this. This has been about a year's worth of work that we've been doing to get ready for this contract so...

**Andrew Bosinger:** Just to be clear our, our intent would be to compost all of the material. So, the product would be continued, it wouldn't be, land application would be a backup only at the direction of the City. And, I think I heard 20 year contract earlier, our understanding is it's a 5 year contract with a 5 year option.

**Jane Burazer:** Five 1 year options.

**Andrew Bosinger:** Five one year options, so, you know, we'd love to have a 20 year contract, believe me, but that's just not...

**Commissioner:** You might have had it if you'd...

**Andrew Bosinger:** I should have just kept my mouth shut.

**William Moriarty:** Let's continue, because we're doing this 1 and 5, if the commissioners are agreeable to that. I've got a lot more questioners on 5. So Commissioner Castleberry, I don't want to cut you off, so, but, there's now like, almost everybody has questions.

**Christianne Castleberry:** Definitely. The only thing I, because we're talking about 5, how different in concept is Item 1?

**Jane Burazer:** Pardon?

**Christianne Castleberry:** How different in concept is Item 1? Because we've spent so much time talking about 5.

**Jane Burazer:** It's, they're not really, they're, how we approached number 1 was done in a manner of, you know, what if we do get this contract that we're proposing Synagro for, what if we don't? So we did the 1 year, and that's because we still have some materials on site that's not moving. We have, currently have 10 piles. In the agreement, within the first 90 days they would have to take off 5 piles of it. Now they're paying us for that; it is not as high a cost as the Dillo Dirt but it's not screened so it's not the same quality as Dillo Dirt. And then we also project that before the end of the year is over we will probably be having 3 more piles out there because this is the high production time of year. And so that would require that they take that out. Now once this year is up we don't have to renew it. But we wanted options in there in case the contract that we're proposing for the other biosolids reuse doesn't go through, we need options on how we would move forward as it is. So there are caveats in there that were based on the what if's, but they are not linked together.

**Commissioner:** So if Synagro went through, Item 1 you wouldn't need?

**Jane Burazer:** No, we still want to remove some of the solids that are on hand right now.

**Commissioner:** Got cha'.

**Jane Burazer:** We gave assumptions of how much product would be on hand as they come in; there'll be a transition plan that will deal with a lot of that, if they get the contract, and we will work through that.

**Commissioner:** I'm sorry, I'm asking questions out of order...

**Jane Burazer:** And again, we only get paid for what they take, so it's...

**William Moriarty:** Commissioner Castleberry.

**Christianne Castleberry:** I can share. This was very helpful.

**William Moriarty:** All right. Commissioner Maia? You had questions on 5 so I'm just kind of taking everybody as 1 or 5, so you're welcome to ask away.

**Mickey Maia:** Okay, so this would for me, be on 5. I'm reading very quickly through the document we were given shortly before the meeting and I think you covered a lot of what they brought up but on the second page of it, they say, "Land applying sludge has been tied to major health impacts for neighboring residents, serious quality of life impacts, threat to groundwater, surface water, and even air quality as the pathogens and pollutants in sewage sludge are stirred up. It is wholly irresponsible and contrary to Austin's values to dump sewage onto another Texas community that happens to be less wealthy or powerful than we are." And then there's other comments about burdening rural Texans with dangerous pollution. So I'm not an engineer and this is not my area, so I wanted to give you an opportunity to respond to those comments. I think what I understood, and please tell me if this is wrong, so what you all are saying is that you want to move to complete composting as much as you possibly can, provided you find consumers that will take it and that is better than landfill, is that correct?

**Greg Meszaros:** Can I start?

**Jane Burazer:** Sure.

**Greg Meszaros:** Okay, so think about sludge in a couple of ways, more of a raw sludge, a raw wastewater sludge, sewer sludge, is like a Class B sludge that you land apply, that you take this sludge and it flings out and you put it on, that's land application, that's Class B, right?

**Jane Burazer:** Well, it's a Class B product because it's gone through digestion and further treatment, but also, how you do land application makes a difference, and ours always gets turned under so there are some people that will throw it on top and leave it sitting on top. We don't do that in our process.



**Greg Meszaros:** So that's what we don't want to do as much of in the future, hopefully not at all. Right now we do a lot of that, and we have for fifteen years. We want to stop doing that. So I think that those...

**Mickey Maia:** And that has in the past been done on a property... City property?

**Greg Meszaros:** On our property at Hornsby, at the old Webberville site, and also hauling it to other sites, which we do today. We have for fifteen years.

**Jane Burazer:** Last eight years is been going to Eagle Lake.

**William Moriarty:** You make arrangements with the farmer, make a deal with him to allow you...

**Andrew Bosinger:** That's part of what we do.

**Jane Burazer:** It has to go on permitted land.

**Greg Meszaros:** So we want to go better that, we want to go what's called Class A, and composting, and like we described there's different types of composting; highly refined, super screened, Dillo Dirt, agricultural compost... you know composting mixes with yard waste it kind of cooks, you know, it makes compost, that's much better than just like...

**Mickey Maia:** Class A is better than Class B.

**Jane Burazer:** Yes, it's pathogen removal.

**Greg Meszaros:** It's the highest level you can get to, there's nothing above Class A in terms, it's the highest quality. I mean, our vision is Hornsby, that 99.99 % of it in the future would go out as all Class A, I mean, you may not hit that every single second of every single day but we want to go from where we are to that standard, that's where we go. So that's what this is doing both contract number 1 and number 5. Number 1 is we have this agricultural compost material that's already, Class A compost, sitting there doing nothing.

**Jane Burazer:** No, 1 is unscreened Dillo Dirt.

**Greg Meszaros:** 1 is unscreened Dillo Dirt. It's just, there's not a market for it from a Dillo Dirt perspective, so we have these big providers that'll come in and just take it all away use it as a compost for their agriculture. It's not land application, it's compost. It's Class A.

**Mickey Maia:** Okay, and so the objective is to have compost not land application.

**Greg Meszaros:** Yes.

**Melissa Blanding:** Okay, and so in terms of the comments about health impacts and quality of life, there's a difference between land application and compost. Is that correct?

**Greg Meszaros:** Yes.

**Mickey Maia:** Much better with compost?

**Jane Burazer:** Compost is always much better.

**Greg Meszaros:** I mean, in the end, you got to get ready your biosolids.

**Mickey Maia:** I understand.

**Greg Meszaros:** You only have three choices.

**Mickey Maia:** I'm just trying, you know, this is not my field, so I'm just trying to understand in layman's terms what that all means.

**Greg Meszaros:** I think one of the changes, what we are saying is look, there's different forms of composting, there's agricultural composting, and there's highly refined Dillo Dirt, let's not just say the only way we can move things is Dillo Dirt, cuz we can't move enough Dillo Dirt, nowhere near enough Dillo Dirt, to move the product as a compost. That's why we are looking to diversify into a broader range of composting.

**William Moriarty:** Thanks. Commissioner Maia, I want to try to move along, this is big...

**Mickey Maia:** I'm done.

**William Moriarty:** Okay. Commissioner?

**Commissioner:** No questions.

**William Moriarty:** Vice Chair Lee.

**Chien Lee:** Well, my comment is more toward the ESMBR and the Purchasing department because Items number 1 through 6, we are talking about a contract total of about 36 million dollars and in the notes on the MBR\_\_ requirements says "for the services required for this solicitation there were insufficient subcontracting opportunities and insufficient number of certified MBE's" and I really wouldn't agree with that.

**William Moriarty:** Both one and five.

**Chein Lee:** One through five, yes.

**William Moriarty:** One and five.

**Chein Lee:** One, two, three, four, five.

**William Moriarty:** We're only talking about one and five.

**Chein Lee:** Okay. The trouble is there are so many activities there and the total amount is so much and then the MSMBR in the Purchasing department does not have any subcontracting opportunities that's kind of amazing to me. And then the other question is, usually on the package we make a note if the contractor is a current service provider or not, and then also usually we have a note there saying that this contract is five percent more than the previous contract or current contract. Those information are not available. Okay.

**Jane Burazer:** This is actually considered a first type of contract.

**Chein Lee:** Yes, if it's a first contract and if there's a note there say this is the first purchase, we don't have a historical contract information.

**Jane Burazer:** There is a similarity, but it's different because of the proposals.

**Chein Lee:** The other thing is like, this is a five year contract with five years of option, I wish the City went into the engineering services notating this, they can do that same thing there, so I don't have to worry about it, I can say, I can purchase my computers everything there, I know I am going to have work for 10 years, I'm turning this, now we know.

**William Moriarty:** Let's get them to answer to the question. You're saying, the minority utilization is improper. Answer?

**Jane Burazer:** We'll start with the first part of it from the City side of it is, DSMBR said that there are not, they didn't have enough companies that could bid on it, so that's why there's no goal, and one of the issues here is it centers around the licensing requirements from TCEQ. There are trucking companies that don't have the TCEQ licensing for their trucks to be able to haul some of the solids that we have that are required. So in understanding that that was a concern and an issue, and that there was not an SMBR goal we did put a part in the scope that we wanted people to... that this is important to the City to bring in local business and women and minority businesses, and in it, I hope it's okay, I think it's okay to say this part, they have committed that they will work to try to identify those opportunities if the contract is awarded.

**Andrew Bosinger:** If I may speak, I would tell you that under Item 5, under the Synagro contract, we didn't propose a subcontract. We have a partner who is a minority business enterprise who is not yet certified but is going through the process right now with the City. We've had a difficult time finding qualified MBE/SBE/WBE businesses that have the right kind of equipment; it's specialized equipment. We have been looking, we have found some, we're training them, helping them get the right equipment and they are going through the certification process now, so we anticipate, if we are awarded this contract we will have some participation.

**Chien Lee:** Look, I am not questioning about the Synagro's commitment and interest and qualifications but I am more concerned about the DSMBR's commitment because they can set the goals and then any bidders or proposers can come there and say, "we did a good faith effort and there is no minority business available, they did not do it, we tried emailing them, we tried to contact them, fax them, but no one is qualified or interested". I mean that's a good faith effort on the DSMBR side of it, you know, it's not our bidders responsibility, the bidder can try to find the best ones but if as long as the DSMBR presented the requirement and then the bidders presented a good faith effort and everything is settled. But part of the, force the gate is like, we don't have any subcontracting opportunities I think that makes life easier for everybody; you don't have to do anything on it, that's my concern.

**William Moriarty:** Thank you, I'm gonna skip my turn, I'll be last. Annie?

**Annie Kellough:** Okay, so it's my understanding I guess now, so Synagro currently has, is under contract with City of Austin to manage biosolids?

**Jane Burazer:** Well, the contract right now is for land application and some agricultural composting.

**Andrew Bosinger:** A small amount of compost.

**Annie Kellough:** Okay.

**Jane Burazer:** Like I said, that was done on a Request for Bids. So on a bid you give them specific things you have to bid on, specific line items. This one we're bringing forward to you today, on number 5, is from a Request For Proposals where they are proposing a solution and it's evaluated based on that.

**Annie Kellough:** Okay, that might answer my question actually, which was, you know, if Synagro has been the one managing this already and we are using too much land use what Synagro is going to change in order to do compost and is that just in the nature of the contract?

**Jane Burazer:** They were required to do the land application for this current contract.

**Annie Kellough:** Okay.

**Greg Meszaros:** But Synagro, I mean, you can speak about...

**Andrew Bosinger:** We have a very limited piece of the Hornsby Bend site on which to do composting. Frankly it's better, you know we want to do more composting, it's better for us and we don't have to haul almost 100 one-way miles to Class B land application sites that are permitted. So there's efficiencies to be gained there, but you know our contract was very specific for land application and a very small amount of composting, so that's what we've been performing, but you know the recommended contract would change that to all composting, or materially all composting.

**Greg Meszaros:** So Commissioner, through this new proposal format we didn't constrain the vendor in terms of how they use the site, or how much composting they do, or how they can use our pads, you know, the last bid was very narrowly boxed, this was a much more open, give us your best proposal world, on how you would use our site to maximize composting and minimize land application, and Synagro produced, in our opinion, the best value approach to achieving that goal. So that's why it's not like a continuation of the old contract it's a new approach contract.

**Annie Kellough:** Okay, and then just one question on as far as timing, this old contract that you've been under, is that coming to an end at a specific time?



**Jane Burazer:** November 17<sup>th</sup>.

**Annie Kellough:** November 17<sup>th</sup>. Okay. That's all I have thank you.

**William Moriarty:** Commissioner Ho.

**Nhat Ho:** So, I'm hearing, I just want to go back to the comment from the Citizen Communication section earlier about the composting program that Zero Waste is putting in place. I've heard that they are starting the pilot program very soon and I can't claim to know the pilot program inside out but I am familiar with some aspect of it. So help me understand the compost coming from those organic source, household organic, is this the same as the compost that you producing, are they competing for the same market?

**Nhat Ho:** Okay, good.

**Andrew Bosinger:** No, they compete for a different market. And we do organics composting as well as biosolids composting, source separated organics, like what will come from Zero Waste. Very different. Anything with biosolids in it cannot be labeled "organic", so it sells to a very different consumer, very different marketplace. The material from the Zero Waste project will in fact sell for a much higher price because it's all organic food and when you have a biosolids, a sewage sludge element to it, you know it just won't support the same pricing.

**Nhat Ho:** So it's not true that if Austin Water was to ramp up the compost program it will adversely affecting the Zero Waste composting effort.

**Andrew Bosinger:** I would describe the market for compost as kind of a pyramid, right? And at the bottom is the lowest price and lowest quality demands, and that's the agricultural market. It's a huge market, doesn't demand the highest prices, doesn't command the highest prices, doesn't demand the highest quality, but you can move a lot of material to it. And at the very tip of the pyramid is that very high quality, organic, you know, and that's where the, it's a smaller market, but that's where you get the highest price, the demands for quality are the highest, and that's where the food waste kind of compost will reside in that space of the market.

**Nhat Ho:** Right, I just want to make sure that we attempt to answer the concern is, are you guys working with Zero Waste, and so on and so forth, and I would encourage that, you know, obviously because it seems like Zero Waste and Austin Water is at the forefront of the composting which is a great thing, and as long as you are not competing for the same market I don't see any reason why that would be a concern, and I just want to make sure I understand that.

**Jane Burazer:** And in fact, Austin Resource Recovery reviewed our Request for Proposals before they went out and they approved us doing it, and I believe we still have the letter that gives the go ahead on it, and if you want to see that I'll get that to Felicia to send to you.

**Nhat Ho:** I think that would be great for the public to understand that this is a joint effort, or have some sort of communications. And my next question is, I guess my only question left is, from what I am hearing it sounds like the composting effort would more environmental friendlier than just leaving on land application, or just letting it sit there as a stockpile. Is that a stretch or is that correct?

**Andrew Bosinger:** No, that's absolutely, the carbon sequestration that comes with composting is, there's well documented scientific models out there that will show that, plus, I mean, you're taking trucks off the road, you're taking long distance haul trucks off the road that are going a 100 one-way miles right now, so the carbon from that is dramatically reduced. So there are all kinds of benefits to biosolids and compost but this is definitely an environmentally preferable option.

**Nhat Ho:** I mention that because Austin Water is a member of the Joint Sustainability Committee which is the body that try and enforce the Carbon Master Plan of the City of Austin and so you were saying, Greg, that if you're reducing stockpiling, which is great, or landfill application and you're reducing cost those are a home run that would, if it is indeed friendlier to the environment I would say add that as part of the achievement as well, because that would allow other

body who are watching the carbon dioxide, the reduction footprint, to be part of that to advocate for that, so I just thought I'd mention that. Thank you.

**William Moriarty:** Commissioner Turrieta.

**Susan Turrieta:** One comment, one question. Just for those of us who aren't in the biosolids wastewater world, you've mentioned permit several times I just want to make it clear to everybody that any of the three options you do with the biosolids is covered under the EPA and TCEQ regulations and the City follows them very closely.

**Jane Burazer:** Yes.

**Susan Turrieta:** Yes, and so that was just kind of some information out there. And then the second question I have is with the Zero Waste Master Plan there is movement to mix food scraps with yard clippings, etcetera, which impacts the bulking agent that can be used at Hornsby Bend because of the vicinity of the airport and the attraction of birds. Do you guys, your company, have another supply of bulking agent?

**Andrew Bosinger:** Yes, I think it dovetails nicely with the construction and demolition debris ban that's coming in, and that is going to increase the supply of materials, woody carbonaceous materials that need a recycling home, that are on the market, and this will fit together with that, and that's our responsibility to identify that and to provide that material for the duration of the contract.

**Susan Turrieta:** I'm glad to hear that.

**William Moriarty:** Okay, I'll ask my questions last. I think this is a situation where this is an effort to really improve things, but the story isn't getting out, the story is becoming "we're going to truck biosolids and invade a neighboring county" because some of the other proposers may have in fact wanted to do that, but that wasn't you.

**Andrew Bosinger:** That's correct.

**William Moriarty:** As having been around here a little while, along with Commissioner Castleberry and Commissioner Maia, when we had the privilege to vote for those emergency contracts to put the fire out at Hornsby Bend, as a relatively new Wastewater Commissioner I thought I was living in another world, when CH2M Hill brought backhoes that looked like they were four stories tall, and sixty men and millions of dollars, it almost shut the airport. So I can appreciate Director Meszaros' sensitivity to not ever wanting to go back to that situation, so we can't stockpile, we've got to get rid of it. You've put together this sort of advanced RFP approach to visit with vendors, what's the best way, let everyone bid their best solution, or propose on it, and you've got something here. But there's people in the community that aren't understanding what you're doing and assuming we vote for this, my guess is, as you know better than me, when you go to the City Council this will be harder, probably. So we're going to vote these things, but I'm wondering if whatever way we vote, would it be appropriate for me to suggest that at some point between this and the Council meeting you can meet with Ms. Schneider and her associates, and give her the longer explanation because when you just read these things on one piece of paper they don't sound very good, but when you hear the whole story I think there's an honest effort here to eliminate the land application if you can, if you can get rid of the product.

**Jane Burazer:** And we will do our best for that, the one caveat we have is...

**William Moriarty:** I can't call on you ma'am, I'm sorry.

**Jane Burazer:** ... we cannot discuss what they put in their proposal at this point which makes it much harder to communicate, I mean, our goal is to get to Class A. We did have, some of the proposals were more land application, or a combination of land application and composting, so like I said we received a variety of proposals, but our goal is the Class A and we went with that, but we are not at liberty to discuss the proposals themselves.

**William Moriarty:** Right, but I think you can kind of talk...

**Jane Burazer:** ...what our initiative and goals is, yes.

**Greg Meszaros:** Yes, we will commit to following up with various stakeholders that expressed concern tonight, as well as others.

**Citizen:** Release the contract, let us see what is in it.

**Jane Burazer:** There is no contract yet.

**Greg Meszaros:** We're not going to engage in a shouting match with the audience, so we will certainly sit down with the stakeholders, the citizen that was here tonight and others, and discuss to the best of our ability, and have Synagro attend if we can, to work this through. We are under you know, procurement cones of silences, and other kind of things so we have to be mindful of that.

**William Moriarty:** Right, but you can kind of explain the philosophy and the thinking of how you're trying to move this thing forward which you have largely done tonight.

**Jane Burazer:** Yes, and approving this is not approving a contract, it's approving us to negotiate a contract. There is no contract in existence at this point.

**William Moriarty:** Will we see it again?

**Jane Burazer:** No.

**William Moriarty:** You'll be done with us and the City Council, theoretically, so... okay. Commissioners, I... Commissioner Castleberry.

**Christianne Castleberry:** I would just like to add, you've touched on this, but this seems a communication, and I understand your position, it seems to me that when you get to that point where you have a contract, and you can release...

**Jane Burazer:** Can communicate...

**Christianne Castleberry:** ...this could be a very good story to let us see, you know, what your plans for the future look like, and how it is that you went about carrying that out. And I think I would like to see, and I know our community needs to see at some point, that story.

**Jane Burazer:** Yes, we can do that.

**William Moriarty:** If there are no further questions from the Commissioners let's take up Item D1. I need a motion to approve.

**Travis Michel:** Chair Moriarty, I'd like to make a motion to approve Item D1.

**William Moriarty:** Thank you Commissioner Michel. Commissioner Castleberry seconds your motion. All those in favor say aye, or indicate by raising your hand, and that is a unanimous vote. Okay, our next Item, interestingly enough is Item D5. How'd that work out? We have dovetailed both discussions together so I'm prepared to receive a motion of approval. Commissioner Ho.

**Nhat Ho:** I motion to approve.

**William Moriarty:** Commissioner Turrieta seconds. All those in favor raise your hands for me if you wouldn't mind. I have all, but two voting nay.

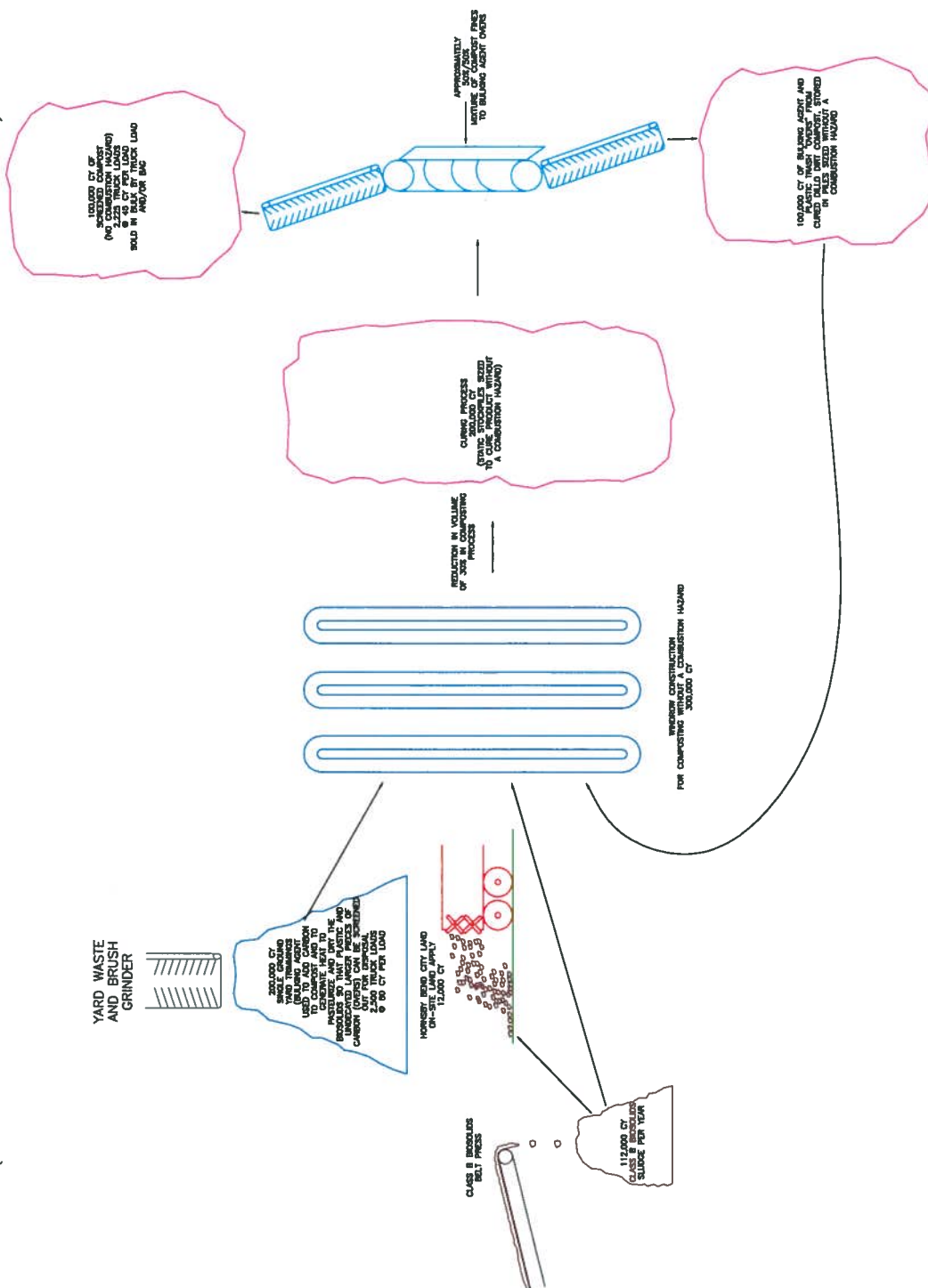
**Chein Lee:** Abstain.

**William Moriarty:** I have commissioner Kellough nay; abstention Vice Chair Lee. Okay. Thank you.





(CURRENT VOLUMES IF ALL SLUDGE IS COMPOSTED, CURED AND SCREENED)







August 9, 2016, 9:40AM

## Various Scenarios - Hornsby Bend Biosolids

*(The following are estimates of the various amounts of inputs and outputs of different biosolids composting scenarios)*

### ASSUMPTIONS

- (a) 2015 COA Biosolids generation (information provided in RFP)
  - 112,000 cubic yards per year = 94,360 tons per year
- (b) 1 cubic yard of Biosolids (information provided in RFP)
  - 1,685 lbs. per cubic yard = 0.8425 tons per cubic yard
- (c) 3 cubic yards of Bulking Agent is needed to fully and properly compost 1 cubic yard of Biosolids into "Dillo Dirt"
  - 500 lbs. per cubic yard = 0.25 tons per cubic yard
  - Bulking Agent is shredded yard trimmings, leaves, brush, limbs, etc.
- (d) 3 cubic yards of Bulking Agent is needed to fully and properly compost 1 cubic yard of Biosolids into "Dillo Dirt"
  - 1 cy of Biosolids plus 3 cy of Bulking Agent once composted produces 1 cy of cured and screened Dillo Dirt and 1 cy of "Overs" (larger pieces of carbon & plastic trash)
  - Screening typically produces a 50/50 split of Dillo Dirt "Fines" and carbon and plastic trash "Overs"
  - Dillo Dirt takes 6.5 months to produce, per City staff
- (e) 1.5 cubic yards of Bulking Agent is reported by Synagro to be needed to partially compost 1 cubic yard of Biosolids into "Ag Compost", which is not cured or screened of "Overs" and plastic trash
- (f) Truck cargo weights
  - Bulking agent: 40,000 lbs (80 cy)
  - Dillo Dirt: 42,000 lbs (45 cy)
  - Agricultural Compost with unscreened "Overs" and plastic trash: 44,000 lbs (30 yds)
  - Class B land application: 44,000 lbs (26 cy)
- (h) Curbside collected yard waste and food waste cannot be processed at the Hornsby Bend facility, per City staff
  - The City currently collects approximately 100,000 cubic yards per year of unshredded yard waste Bulking Agent without food waste, per City staff
  - This volume is reduced to 50,000 cubic yards after shredding.

### Fully & properly compost 100% of Biosolids into Dillo Dirt

Process	Volume of Biosolids	Current Yard waste Available for Dillo Dirt	Additional Bulking Agent Required for Dillo Dirt	Cured & Screened Dillo Dirt Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Dillo Dirt	# Outbound Trucks Class B Land Apply	Inbound + Outbound Truck Total (approx)
Dillo Dirt	100,000 cy <sup>1</sup> 84,250 tons	50,000 cy	200,000 cy <sup>2</sup>	100,000 cy	1,875 - 2,500	2,222	n/a	4,097 - 4,722

**There is a SHORTAGE OF 150,000 CUBIC YARDS of bulking agent if current yard waste volumes ARE USED for composting 100% of the biosolids into Dillo Dirt**  
**There is a SHORTAGE OF 200,000 CUBIC YARDS of bulking agent if current yard waste volumes ARE NOT USED for composting 100% of the biosolids into Dillo Dirt**

1. Scenario considers direct land application of 12,000 cy of Class B Biosolids onsite at Hornsby Bend (an RFP requirement)

2. Scenario considers utilization of 100,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required Inbound Bulking Agent to 200,000 cy



Fully & properly compost 50% of Biosolids into Dillo Dirt							
Direct land application of 50% of Class B Biosolids offsite							
Process	Volume of Biosolids	Current Yard waste Available for Dillo Dirt	Additional Bulking Agent Required for Dillo Dirt	Cured & Screened Dillo Dirt Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Dillo Dirt	# Outbound Trucks Class B Land Apply
Dillo Dirt	50,000 cy <sup>1</sup> 42,125 tons	50,000 cy	100,000 cy <sup>2</sup>	50,000 cy	625 - 1,250	1,111	Inbound + Outbound Total Trucks (approx) 3,659 - 4,284
Land Apply	50,000 cy		n/a	n/a	n/a	n/a	
Offsite	42,125 tons		n/a	n/a	n/a	n/a	1,923

There is a **SHORTAGE OF 50,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE USED** for composting 50% of the biosolids into Dillo Dirt

There is a **SHORTAGE OF 100,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE NOT USED** for composting 50% of the biosolids into Dillo Dirt

1. Scenario considers direct land application of 12,000 cy of Class B Biosolids onsite at Hornsby Bend (an RPP requirement)

2. Scenario considers utilization of 50,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 100,000 cy

1. Scenario considers direct land application of 12,000 cy of Class B Biosolids onsite at Hornsby Bend (an RFP requirement)

2. Scenario considers utilization of 50,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 100,000 cy

Fully & properly compost 25% of Biosolids into Dillo Dirt Direct land application of 75% of Class B Biosolids offsite								
Process	Volume of Biosolids	Current Yard waste Available for Dillo Dirt	Additional Bulking Agent Required for Dillo Dirt	Cured & Screened Dillo Dirt Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Dillo Dirt	# Outbound Trucks Class B Land Apply	Inbound + Outbound Total Trucks (approx)
Dillo Dirt	25,000 cy <sup>1</sup> 21,063 tons	50,000 cy	50,000 cy <sup>2</sup>	25,000 cy	313	556		3,754
Land Apply	75,000 cy		n/a	n/a	n/a	n/a	2,885	
Offsite	63,188 tons		n/a	n/a	n/a	n/a		

**There is a SHORTAGE OF 50,000 CUBIC YARDS of bulking agent if current yard waste volumes ARE NOT USED for composting 25% of the biosolids into Dillo Dirt**

1. Scenario considers land application of 12,000 cy onsite at Hornsby Bend (an RFP requirement)

2. Scenario considers utilization of 25,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 50,000 cy

1. Scenario considers land application of 12,000 cy onsite at Hornsby Bend (an RFP requirement)

2. Scenario considers utilization of 25,000 cy of "Overs" in the composting process, therefore reducing the overall amount of required inbound Bulking Agent to 50,000 cy

Quick composting of 100% of Biosolids and Bulking Agent without curing or screening into "Agricultural Compost" and marketed as "All Grow" (per Synagro)									
Process	Volume of Biosolids	Current Yardwaste Available for Dillo Dirt	Additional Bulking Agent Required for Ag Compost	Uncured & Unscreened Ag. Compost Produced	# Inbound Trucks Bulking Agent	# Outbound Trucks Class A Land Apply	# Outbound Trucks Class B Land Apply	Inbound + Outbound Total Trucks (approx)	
Ag Compost	100,000 cy <sup>1</sup>	50,000 cy	150,000 cy	85,225 tons	1,875	2,841		4,716	
	84,250 tons								

There is a **SHORTAGE OF 100,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE USED** for composting 100% of the biosolids in Agricultural Compost

There is a **SHORTAGE OF 150,000 CUBIC YARDS** of bulking agent if current yard waste volumes **ARE NOT USED** for composting 100% of the biosolids into Agricultural Compost

<sup>1</sup> Scenario considers land application of 12,000 cy onsite at Hornsby Bend (an RFP requirement). Scenario also considers a 30% reduction of biosolids volume from moisture reduction and partial composting process.

1.1. Scenario considers land application of 12,000 cys onsite at Hornsby Bend (an RFP requirement). Scenario also considers a 30% reduction of biosolids volume from moisture reduction and partial composting process.





WASTE OFF-SITE FOR LAND APPLICATION OF 20,000 CUBIC YARDS OF CLASS A UNCHIPPED AND UNSCREENED BIO SOLIDS CONTAINING LESS THAN 1% PLASTIC AND THE CONTAINING RELATED PLASTIC TRASH (CONSIDER ~20% VOLUME REDUCTION FROM PTPP AND VECTOR REDUCTION PROCESSES)

ADDED STATIC PILES COMPOSTING ~ 250,000 CY

3 DAYS @ 55° C FOR PTPP AND VECTOR REDUCTION

14 DAYS @ 40° C FOR VECTOR REDUCTION

15 DAYS @ 35° C WITH 5 TURNS

150,000 CY (BULKING AGENT) (PULVERIZED) COMPOSTING PRODUCTION FORMULA SUBSTITUTED (CITY OF AUSTIN)

12,000 CY OF LAND APPLIED CLASS B BROSOLIDS ON CITY OWNED LAND AT HORRISBY BOND

112,000 CY OF CLASS B BROSOLIDS PER YEAR

ACTIVE WASTE MANAGEMENT

HAUL OFF-SITE FOR LAND APPLICATION OF 200,000 CUBIC YARDS OF CLASS A UNCURED AND UNAGGREGATED BIO SOLIDS CONTAINING BULKING AGENT OVERS AND THE RELATED PLASTIC TRASH (CONSIDERS ~20% VOLUME REDUCTION FROM PFMP AND VOLUME REDUCTION PROCESSES)





August 9, 2016, 9:40AM

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# USCC Factsheet: Compost and Its Benefits<sup>1</sup>

## What is Compost?

Compost is the product resulting from the controlled biological decomposition of organic material that has been sanitized through the generation of heat and stabilized to the point that it is beneficial to plant growth. Compost bears little physical resemblance to the raw material from which it originated.



Compost is an organic matter resource that has the unique ability to improve the chemical, physical, and biological characteristics of soils or growing media. It contains plant nutrients but is typically not characterized as a fertilizer.

## How is Compost Produced?

Compost is produced through the activity of aerobic (oxygen-requiring) microorganisms. These microbes require oxygen, moisture, and food in order to grow and multiply. When these factors are maintained at optimal levels, the natural decomposition process is greatly accelerated. The microbes generate heat, water vapor, and carbon dioxide as they transform raw materials into a stable soil conditioner. Active composting is typically characterized by a high-temperature phase that sanitizes the product and allows a high rate of decomposition, followed by a lower-temperature phase that allows the product to stabilize while still decomposing at a lower rate. Compost can be produced from many "feedstocks" (the raw organic materials, such as leaves, manures or food scraps). State and federal regulations exist to ensure that only safe and environmentally beneficial composts are marketed.

## Benefits of Compost and its Effects on Soils and Plants

Thanks to its many attributes, compost is extremely versatile and beneficial in many applications. Compost has the unique ability to improve the properties of soils and growing media physically (structurally), chemically (nutritionally), and biologically. Although some equate the benefit of compost use to lush green growth, caused by plant-available nitrogen, the real benefits of using compost are long-term and related to its organic matter content.

## Benefits of Using Compost

- ④ Improves the soil structure, porosity, and density, thus creating a better plant root environment.

- ④ Increases infiltration and permeability of heavy soils, thus reducing erosion and runoff.
- ④ Improves water holding capacity, thus reducing water loss and leaching in sandy soils.
- ④ Supplies a variety of macro and micronutrients.
- ④ May control or suppress certain soil-borne plant pathogens.
- ④ Supplies significant quantities of organic matter.
- ④ Improves cation exchange capacity (CEC) of soils and growing media, thus improving their ability to hold nutrients for plant use.
- ④ Supplies beneficial microorganisms to soils and growing media.
- ④ Improves and stabilizes soil pH.
- ④ Can bind and degrade specific pollutants.

## Physical Benefits

### Improved Structure

Compost can greatly enhance the physical structure of soil. In fine-textured (clay, clay loam) soils, the addition of compost will reduce bulk density, improve friability (workability) and porosity, and increase its gas and water permeability, thus reducing erosion. When used in sufficient quantities, the addition of compost has both an immediate and long-term positive impact on soil structure. It resists compaction in fine-textured soils and increases water holding capacity and improves soil aggregation in coarse-textured (sandy) soils. The soil-binding properties of compost are due to its humus content. Humus is a stable residue resulting from a high degree of organic matter decomposition. The constituents of the humus act as a soil 'glue,' holding soil particles together, making them more resistant to erosion and improving the soil's ability to hold moisture.

### Moisture Management

The addition of compost may provide greater drought resistance and more efficient water utilization. Therefore, the frequency and intensity of irrigation may be reduced. Recent research also suggests that the addition of compost in sandy soils can facilitate moisture dispersion by allowing water to more readily move laterally from its point of application.

## Chemical Benefits

### Modifies and Stabilizes pH

The addition of compost to soil may modify the pH of the final mix. Depending on the pH of the compost and of the native soil, compost addition may raise or lower the soil/compost blend's pH. Therefore, the addition of a neutral to slightly alkaline compost to an acidic soil will increase soil pH if added in appropriate quantities. In specific conditions, compost has been found to affect soil pH even when applied at quantities as low as 10-20 tons per acre. The incorporation of compost also has the ability to buffer or stabilize soil pH, whereby it will more effectively resist pH change.

<sup>1</sup> Excerpted from the Field Guide to Compost Use, ©2001 The United States Composting Council



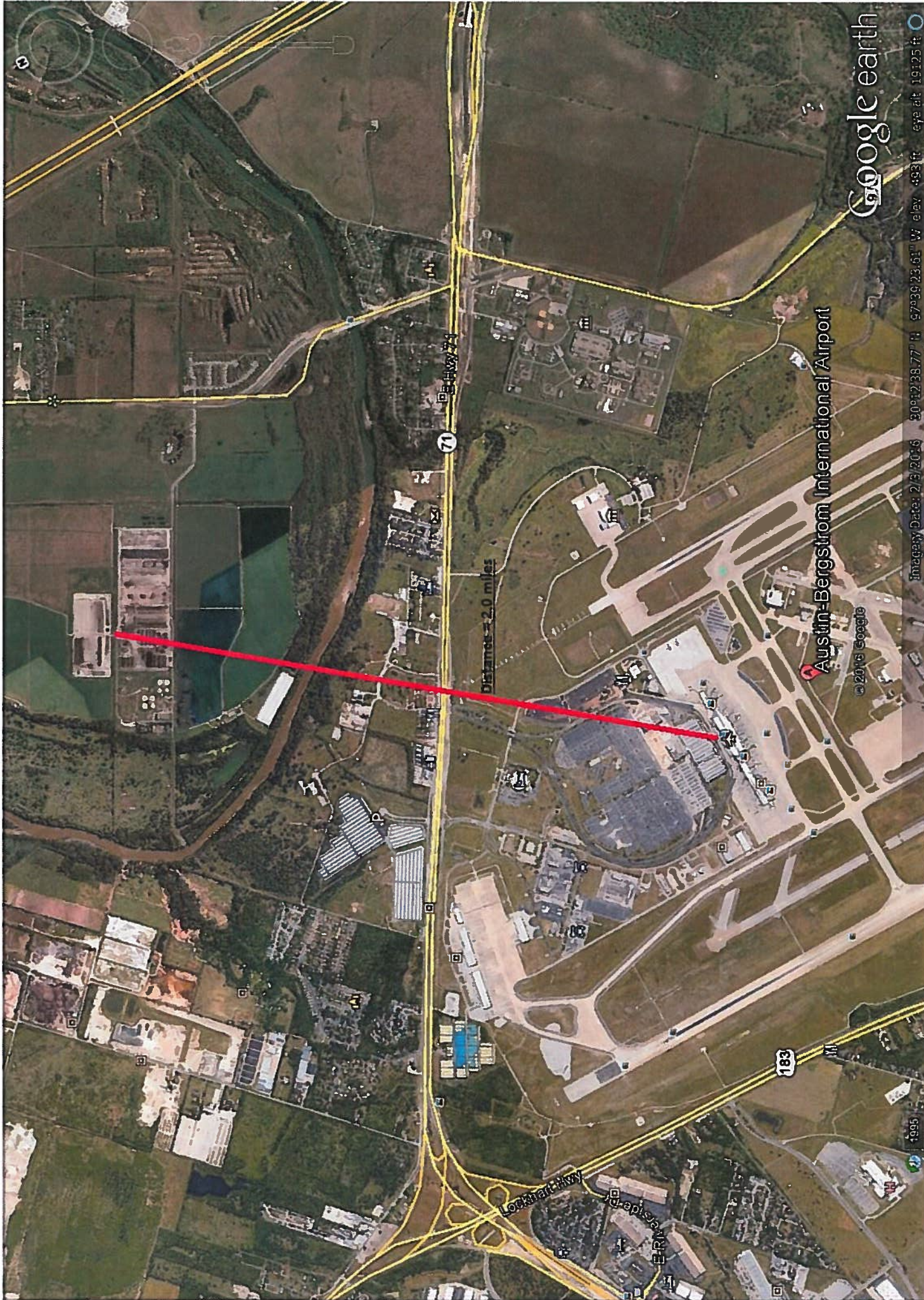












Google earth

Austin-Bergstrom International Airport

© 2016 Google

Imagery Date: 2/5/2016 20°12'38.77" N 97°39'23.61" W elev -493 ft eye at 19125 ft





**BID SHEET**  
**CITY OF AUSTIN**  
**"BIOSOLIDS HAULING SERVICES AND LAND APPLICATION"**

**BID NO. STA1091**

**RQM NO. 2200 13061300423**

**BID OPENING DATE AND TIME: August 6, 2013 @ 2:15 PM**

**BUYER: Stephen Aden**

**Copies of Bid: Vendor must submit copies of its signed bid - ONE original and TWO copies.**

**Special Instructions: The Austin Water Utility anticipates expenditures of up to \$4,500,000 for every 12-month period, for a total of up to \$13,500,000 for 36 months.**

ITEM NO.	ITEM DESCRIPTION/STOCK NUMBER	QUANTITY	UNIT	UNIT PRICE
	<i>The AWU estimates annual biosolids usage of at least 15,000 cubic yards in composting and 140,000 to 150,000 cubic yards in land application</i>			
1	REGULAR HOURS - Transport and land application of Class B biosolids at Contractor's site, Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	32.90
2	AFTER HOURS, WEEKENDS OR HOLIDAYS - Transport and application of Class B biosolids at Contractor's site, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	32.90
3	REGULAR HOURS - Biosolids composting at Hornsby Bend, sampling, hauling and applying compost at Contractors site Monday through Friday, sun up to sun down, including any and all charges for service	1	CUBIC YARD	25.00
<b>FOR INFORMATIONAL PURPOSES ONLY - CONTRACTOR MUST COMPLETE TO BE CONSIDERED FOR AWARD OF CONTRACT</b>				
4	REGULAR HOURS - Transport and application, to a landfill, Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	37.00
5	AFTER HOURS, WEEKENDS AND HOLIDAYS - Transport and application, to a landfill, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	37.00
6	Price per cubic yard to haul and apply biosolids on site at Hornsby Bend. Contractor shall provide marking of field areas to be applied, perform application calculations, haul and apply with contractors equipment, provide soil sampling and analyses, and provide report on cubic yards and dry tons applied per field.	1	CUBIC YARD	7.80
7	Price to perform soil sampling on all land application fields at the Hornsby Bend site once per contract period, including analyses and report per TCEQ regulations and the Hornsby Bend permit.	1	PER ANNUAL SOIL SAMPLING	9 800.00

**COMPANY NAME:** Synagro of Texas-CDR, Inc.

**SIGNATURE OF AUTHORIZED REPRESENTATIVE**

**PRINTED NAME:** Eric Zimmer, President

**EMAIL ADDRESS:** abosinger@synagro.com

**ACCOUNTS RECEIVABLE POINT OF CONTACT:** NAME Brenda Metcalf **PHONE NUMBER:** 443-489-9086

**BIDDERS SHALL SUBMIT A "SAMPLE INVOICE" WITH BID.**





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**austintexas.gov**  
the official website of the City of Austin

Department » Financial Services » Programs » Approved Austin Recovery Projects » Clean Water: Hornsby Bend Biosolids Management Plant Upgrades



## **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 CO2 equivalent emissions per year by 2012.

**This project is complete.**

Share    



Austin Water Utility  
Purchasing Section  
625 E. 10<sup>th</sup> St. Suite 500  
Austin, Texas, 78701

**November 13, 2014**

**The City has approved a contract with your firm to provide the commodity/service listed below for the Austin Water Utility in accordance with the attached documents.**

Responsible Department:	Austin Water Utility
Department Contact Person:	Darrell C. Richmond
Department Contact Email Address:	darrell.richmond@austintexas.gov
Department Contact Telephone:	(512) 972-0313
<b>Project Name:</b>	<b>Removal and Sale of Compost Materials (Curing Piles)</b>
Solicitation No.	DCR15002
Contractor Name:	Texas Landfill Management, LLC. d/b/a Garden-Ville
Contract Number:	DCR15002
Contract Amount to be paid to COA:	\$104,850.00 (4-curing piles)
Contract Period:	November 17, 2014 to April 16, 2015
Additional Curing Pile Contract Amount:	\$26,212.50 (additional curing piles up to 6)
Contract Options:	N/A
Requisition Number:	N/A
Council Date:	N/A
Agenda Item No:	N/A

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please feel free to contact me at (512) 972-0313.

Sincerely,

A handwritten signature in cursive script that reads "Darrell C. Richmond".

Darrell C Richmond  
Senior Buyer  
Austin Water Utility

**CITY OF AUSTIN, TEXAS**  
**REQUEST FOR QUOTE (RFQ)**  
**Offer Sheet**

**SOLICITATION NO:** DCR15002

**COMMODITY/SERVICE DESCRIPTION:** Removal and Sale of Compost Material

**DATE ISSUED:** 10-28-14

**REQUISITION NO.:** N/A

**PRE-QUOTE CONFERENCE TIME AND DATE:** Mandatory, Tuesday, November 4, 2014 at 10:00am

**DEPARTMENT:** Austin Water Utility

**LOCATION:** Hornsby Bend BMP, 2210 FM 973, Austin, Texas 78725

**FOR CONTRACTUAL AND TECHNICAL ISSUES CONTACT:**

**FAX QUOTE TO:** (512) 972-0346  
**ATTENTION:** Darrell Richmond

Darrell Richmond

**OR EMAIL QUOTES TO:** darrell.richmond@austintexas.gov

**Phone:** (512) 972-0313

**QUOTE DUE PRIOR TO:** Monday, November 10, 2014 at 10:00 am

*All Contractors and Subcontractors must be registered to do business with the City prior to submitting a response to a City Solicitation. Prime Contractors are responsible for ensuring that their Subcontractors are registered. Registration can be done through the City's on-line vendor registration system. Log onto <https://www.cityofaustin.org/purchase> and follow the directions.*

---

**SOLICITATION TO:**

  
Signature of Person Authorized to Sign Offer

Paul Gregory - Director of Recycling  
Signer's Name and Title: (please print or type)

**FEDERAL TAX ID NO.** 74-28645513

**Date:** 11-10-2014

**Company Name:** Texas Landfill Management, L.L.C. d/b/a Garden-Ville

**Address:** 12200 Carl Road

**City, State, Zip Code** Creedmoor, TX 78610

**Phone No. ( 512 )** 421-1300

**Fax No. ( 512 )** 243-4123

**BELOW INFO MUST MATCH THE NAME AND ADDRESS ON INVOICE AND IN COMPANY PROFILE WITH CITY**

**Company "Remit To" Name:** Texas Landfill Management, L.L.C. d/b/a Garden-Ville

**Remit to Address:** PO Box 17126

**City, State, Zip Code** Austin, TX 78760

**Email Address** pgregory@texasdisposal.com



**QUOTE SHEET****CITY OF AUSTIN****SOLICITATION NAME: "Removal and Sale of Compost Material"**

QUOTE NO. DCR15002

RQS NO. 2200-N/A

ISSUE DATE: 10-16-14

**CLOSING**

DATE &amp; TIME: Thursday, October 30, 2014 at 10:00am

BUYER Darrell C. Richmond

Special Instructions: Be advised that exceptions taken to any portion of the solicitations may jeopardize acceptance of the bid.

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE
1	Compost-Removal and Sale, in accordance to the attached specification AWU-S149 per curing pile, approximately 6,000 cubic yards each	4	EA		
	Contractor's estimated cubic yards: 5,825 yards per pile	4	each	\$4.50/yard	\$104,850.00
TOTAL PAYMENT TO THE CITY OF AUSTIN					\$ 104,850.00

ACCOUNTS RECEIVABLE POINT OF CONTACT, NAME: Amanda Teague PHONE NUMBER: (512) 421-1323

BIDDERS SHALL SUBMIT A "SAMPLE" INVOICE WITH BID.

PICKUP AND PAYMENT SHALL BE MADE WITHIN 15 CALENDAR DAYS AFTER RECEIPT OF ORDER

ALL SHIPPING AND HANDLING CHARGES MUST BE INCLUDED IN QUOTE. DELIVERY TERMS: DELIVERY SHALL BE FOB DESTINATION, PREPAID AND ALLOWED  
DELIVERY METHOD: USPS

COMPANY NAME: Texas Landfill Management, L.L.C. d/b/a Garden Mills

SIGNATURE OF AUTHORIZED REPRESENTATIVE: 

PRINTED NAME: Paul Gregory

EMAIL ADDRESS: pgregory@texasdisposal.com

\*Extended price is for the four (4) initial piles named in this Quote.

City of Austin  
 Process Engineering, Hornsby Bend BMP  
 2210 S. FM 973, Austin, Texas 78725  
 Jody Slagle, P.E.  
 Compost & Biosolids Reuse Manager  
 Office (512) 972-1954  
 Fax (512) 972-1900  
 jody.slagle@austintxwa.gov



TEXAS LANDFILL MANAGEMENT, LLC  
 P.O. BOX 17126  
 AUSTIN, TX 78760-7126  
 (512) 421-1300



32-41-1110 DATE  
 12/12/2014  
 AMOUNT  
 \$104,850.00

One Hundred Four Thousand Eight Hundred Fifty Dollars and 00 Cents

PAY  
 TO THE  
 ORDER OF

City of Austin  
 C/o Austin Water Utility  
 Hornsby Bend BMP / Jody Slagle  
 Austin TX 78725

*[Signature]*  
 AUTHORIZED SIGNATURE

⑆054982⑆ ⑆111000614⑆ 9922901375⑆

TEXAS LANDFILL MANAGEMENT, LLC

54982

CITRAUSOR	City of Austin	00082771	12/12/2014	54982
200130314	DCR15002 FILES 1&2	12/9/2014	\$52,425.00	\$52,425.00
200130315	DCR15002 FILES 3 & 4	12/10/2014	\$52,425.00	\$52,425.00

*Rec'd  
 12/22/14*

\$104,850.00 \$104,850.00 \$0.00 \$104,850.00



PRODUCT RELATED USE WITH 81520 ENVELOPE

PRINTED IN U.S.A.

24302

## **Ryan Hobbs**

---

**From:** Gary Newton  
**Sent:** Monday, May 02, 2016 4:52 PM  
**To:** Bob Gregory; Paul Gregory; Adam Gregory; Ryan Hobbs  
**Subject:** FW: Anti-Lobby Ordinance Interpretation for RFP 2200 JXP0501  
**Attachments:** Response to Anti-Lobbying.pdf

See attached response from Purchasing.

**From:** Pace, Joshua [<mailto:Joshua.Pace@austintexas.gov>]  
**Sent:** Monday, May 02, 2016 4:45 PM  
**To:** Gary Newton <[gnewton@texasdisposal.com](mailto:gnewton@texasdisposal.com)>  
**Subject:** RE: Anti-Lobby Ordinance Interpretation for RFP 2200 JXP0501

Gary,

Please see attached for the City's response to your letter regarding the Anti-Lobbying ordinance dated April 27, 2016.

Please let me know if you have any questions.

Thank you,

**Joshua Pace**  
**Buyer II**  
**City of Austin**  
124 West 8<sup>th</sup> Street  
Austin, TX 78701  
512-974-3127  
[Joshua.Pace@austintexas.gov](mailto:Joshua.Pace@austintexas.gov)

**From:** Gary Newton [<mailto:gnewton@texasdisposal.com>]  
**Sent:** Wednesday, April 27, 2016 3:42 PM  
**To:** Pace, Joshua <[Joshua.Pace@austintexas.gov](mailto:Joshua.Pace@austintexas.gov)>  
**Subject:** RE: Anti-Lobby Ordinance Interpretation for RFP 2200 JXP0501

Joshua, please see my formal reply to the City's response received earlier today.

**From:** Pace, Joshua [<mailto:Joshua.Pace@austintexas.gov>]  
**Sent:** Wednesday, April 27, 2016 10:36 AM  
**To:** Gary Newton <[gnewton@texasdisposal.com](mailto:gnewton@texasdisposal.com)>  
**Subject:** RE: Anti-Lobby Ordinance Interpretation for RFP 2200 JXP0501

Gary,

Please see the attached letter for the City's response to your original email regarding the Anti-Lobbying Ordinance.

Please let me know if you have any questions.

Thank you,

**Joshua Pace**  
**Buyer II**  
**City of Austin**  
124 West 8<sup>th</sup> Street  
Austin, TX 78701  
512-974-3127  
[Joshua.Pace@austintexas.gov](mailto:Joshua.Pace@austintexas.gov)

**From:** Pace, Joshua  
**Sent:** Monday, April 18, 2016 3:46 PM  
**To:** 'Gary Newton' <[gnewton@texasdisposal.com](mailto:gnewton@texasdisposal.com)>  
**Subject:** RE: Anti-Lobby Ordinance Interpretation for RFP 2200 JXP0501

Gary,

The City is reviewing your email and, if necessary, we will issue a response in a future addendum. An addendum was released earlier today which extended to proposal due date to May 3.

Thank you,

**Joshua Pace**  
**Buyer II**  
**City of Austin**  
124 West 8<sup>th</sup> Street  
Austin, TX 78701  
512-974-3127  
[Joshua.Pace@austintexas.gov](mailto:Joshua.Pace@austintexas.gov)

**From:** Gary Newton [<mailto:gnewton@texasdisposal.com>]  
**Sent:** Friday, April 15, 2016 4:09 PM  
**To:** Pace, Joshua <[Joshua.Pace@austintexas.gov](mailto:Joshua.Pace@austintexas.gov)>  
**Subject:** Anti-Lobby Ordinance Interpretation for RFP 2200 JXP0501

Mr. Pace,

Since I have not heard anything from the City concerning my request set out below, I request the City postpone the response date for this proposal if the City cannot respond to this matter before the deadline on Tuesday April 19<sup>th</sup> at 2:00pm.

Please let me know what the City decides.

Sincerely,

Gary Newton  
General Counsel

**From:** Gary Newton  
**Sent:** Wednesday, April 13, 2016 4:36 PM

To: 'Joshua.Pace@austintexas.gov' <Joshua.Pace@austintexas.gov>  
Subject: Anti-Lobby Ordinance Interpretation for RFP 2200 JXP0501

Mr. Pace,

Pursuant to our telephone conversation this afternoon, I am sending this communication to you regarding the Anti-Lobby Ordinance referenced in the above RFP Section 0400 Supplemental Provision 7(A) on page 3 of 5. The presence of that section purports to apply the anti-lobby restriction in the above referenced offer to sell unscreened compost. The wording in that section says "the policy defined in this Code applies Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures)." However, when I read that City Charter provision the Anti-Lobby Ordinance clearly only applies to situations where the City is expending funds of more than \$43,000 annually as adjusted by CPI.

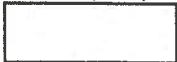
The City is not expending funds under the above referenced RFP. The City is selling unscreened compost for which it will be receiving a payment of funds in exchange. The Anti-Lobby Ordinance does not apply under the literal reading of the ordinance. Therefore, I am simply seeking written acknowledgment from the City before the April 19<sup>th</sup> proposal date that the Anti-Lobby Ordinance does not apply to this transaction despite the boiler-plate language included in the forms used by the Purchasing Office. I think a written clarification is appropriate to avoid any confusion among City representatives, offerors, or any other interested persons.

Please email me or call at 512-421-1305 to discuss.

Sincerely,

Gary Newton  
General Counsel

Gary Newton  
Texas Disposal Systems  
[www.texasdisposal.com](http://www.texasdisposal.com)  
Office: 1 (512) 421-1305  
Mobile: 1 (512) 619-3934  
Fax: 1 (512) 243-4123



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## TEXAS DISPOSAL SYSTEMS

TEXAS DISPOSAL SYSTEMS, INC. • TEXAS DISPOSAL SYSTEMS LANDFILL, INC.

P.O. BOX 17126  
AUSTIN, TEXAS 78760-7126  
512-421-1300  
512-243-4123 (FAX)  
[www.texasdisposal.com](http://www.texasdisposal.com)

April 27, 2016

Joshua Pace, Buyer II  
City of Austin  
Purchasing Office  
PO Box 1088  
Austin, TX 78767

Re: Solicitation RFP 2200 JXP0501

Dear Mr. Pace,

I have studied the explanation sent to me today of how the anti-lobby ordinance applies to an offer by the City of Austin to sell unscreened compost. I respectfully disagree with the conclusion the anti-lobby provision can be applied to a sale of material by the Director as a "competitive process" not covered by Article 6 Anti-Lobbying and Procurement.

A reading of the entire Article 6 reveals the quote of the "competitive process" language in Section 2-7-111 is applied out of context. It is clear from the applicability Section 2-7-102 (B) (1) the purpose of the anti-lobby provision is "to provide the most fair, equitable, and competitive process possible for selecting any potential vendors in order to acquire the best and most competitive goods and services." So the "competitive process" referred to in Section 2-7-111 is only when the City is purchasing goods and services, not selling unscreened compost material.

Article 6 anti-lobby provisions only apply as written to purchases of goods and services that exceed the threshold dollar amount requiring City Council approval. The only reasonable interpretation of Section 2-7-111 is it gives the Director the discretion to apply the anti-lobby provisions to the purchase of goods and services that are below the amount requiring City Council approval and nothing more. There is no mention in Article 6 anywhere about the anti-lobby provisions applying to a situation where the City is selling a product.

Therefore, I wish to meet with the Director and legal counsel prior to the May 3, 2016, 2:00 p.m. response deadline to come to an agreement concerning TDS' obligations under Article 6.

Thank you for the opportunity to discuss this very important matter. Feel free to call me at 512-421-1305 if you have any questions.

Sincerely,

Gary Newton  
General Counsel



## City of Austin

**Purchasing Office, Financial Services Department**

P.O. Box 1088, Austin, TX 78767

May 2, 2016

Texas Disposal Systems, Inc.  
Gary Newton  
General Counsel  
PO Box 17126  
Austin, TX 78760-7126

Delivered by Email: [gnewton@texasdisposal.com](mailto:gnewton@texasdisposal.com)  
and U.S. Postal Service

**Subject: Texas Disposal Systems, Inc. in connection with Solicitation RFP 2200 JXP0501, Sale and Removal of Untreated Compost**

Dear Mr. Newton:

As this solicitation is currently underway, the Purchasing Office respectfully declines your request to meet with the Director and legal counsel prior to the close date for the above referenced solicitation. The City Code allows for a Vendor to submit a complaint in regards to the process:

City Code Section 2-7-104 (B) allows for respondents to submit in writing a complaint regarding the process only to the authorized contact person, who will then "distribute a complaint to members of the city council or members of the City board, to the director of the department that issued the solicitation, and to all respondents of the particular solicitation."

A Vendor also has the option of filing a protest. Protest instructions can be found at: [https://assets.austintexas.gov/purchase/standard\\_solicitation\\_instructions.pdf](https://assets.austintexas.gov/purchase/standard_solicitation_instructions.pdf), under 17. Opportunity to Protest.

If you would like to discuss this decision further, please contact me by phone at (512) 974-3127 or email me at [Joshua.Pace@austintexas.gov](mailto:Joshua.Pace@austintexas.gov).

Thank you for your interest in doing business with the City of Austin.

Sincerely,

Joshua Pace  
Buyer II  
City of Austin  
Purchasing Office





Financial and Administrative Service Department  
Purchasing Office  
PO Box 1088, Austin, Texas. 78767

November 7, 2013

Synagro of Texas - CDR, Inc.  
Attn: Andrew Bosinger  
1800 Bering Drive, STE 1000  
Houston, TX 77057

The City has awarded a contract to your company to provide for the hauling and land application of biosolids in accordance with the attached referenced documents.

Responsible Department:	Austin Water Utility
Department Contact Person:	Andres Ramirez
Department Contact Email Address:	<a href="mailto:Andres.ramirez@austintexas.gov">Andres.ramirez@austintexas.gov</a>
Department Contact Telephone:	512/972-0310
Project Name:	Biosolids Hauling Services and Land Application
Contractor Name:	Synagro of Texas - CDR, Inc.
Contract Number:	NA140000022
Delivery Period:	11/18/13 through 11/17/14
Contract Amount:	\$4,652,000
Extension Options:	Two 12-Month Extension Options
Extension Amount Per Option:	\$4,652,000
Requisition Number:	RQM 2200 13061300423
Solicitation Number:	STA1091
Council Date:	10/17/13
Agenda Item No.:	21

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact Stephen T. Aden, Corporate Purchasing Manager at 512/972-4040.

Sincerely,

Yolanda Miller  
Deputy Purchasing Officer  
Purchasing Office  
Finance and Administrative Service Department

cc: Andres Ramirez, Austin Water Utility



**CONTRACT BETWEEN THE CITY OF AUSTIN ("City")**  
**AND**  
**SYNAGRO OF TEXAS – CDR INC. ("Contractor")**  
**for**  
**BIOSOLIDS HAULING AND LAND APPLICATION**  
**CONTRACT NO. NA140000022**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Synagro of Texas – CDR Inc., having offices at Houston, TX 77057 and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number STA1091.

**1.1 This Contract is composed of the following documents:**

1.1.1 This Contract

1.1.2 The City's Solicitation, Invitation for Bid (IFB), STA1091 including all documents incorporated by reference

1.1.3 Synagro of Texas – CDR Inc., Offer, dated 8/5/13, including subsequent clarifications

**1.2 Order of Precedence.** Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

1.2.1 This Contract

1.2.2 The City's Solicitation as referenced in Section 1.1.2, including all documents incorporated by reference

1.2.3 The Contractor's Offer as referenced in Section 1.1.3, including subsequent clarifications.

**1.3 Term of Contract.** The Contract will be in effect for an initial term of twelve (12) months and may be extended thereafter for up to two (2) twelve (12) month extension option(s), subject to the approval of the Contractor and the City Purchasing Officer or his designee. See the Term of Contract provision in Section 0400 for additional Contract requirements.

**1.4 Compensation.** The Contractor shall be paid a total Not-to-Exceed amount of \$4,652,000 for the initial Contract term and \$4,652,000 for each extension option as indicated in the Bid Sheet, IFB Section 0600. Payment shall be made upon successful completion of services or delivery of goods as outlined in each individual Delivery Order.

**1.5 Quantity of Work.** There is no guaranteed quantity of work for the period of the Contract and there are no minimum order quantities. Work will be on an as needed basis as specified by the City for each Delivery Order

**1.6 Clarifications and Additional Agreements.** The following are incorporated into the Contract.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the City has caused a duly authorized representative to execute this Contract on the date set forth below.

**CITY OF AUSTIN**

Yolanda Miller

Printed Name of Authorized Person



Signature

Deputy Purchasing Officer

Title:

November 7, 2013

Date:



**Amendment No. 2**  
to  
Contract No. NA140000022  
for  
**Biosolids Hauling Services and Land Application**  
between  
**Synagro of Texas -CDR, Inc.**  
**dba Synagro of Texas-CDR**  
and the  
**City of Austin**

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be effective November 18, 2015 through November 17, 2016. There are no remaining options.
- 2.0 The total contract amount is increased by \$4,652,000.00 for the extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 11/18/2013 – 11/17/2014	\$4,652,000.00	\$4,652,000.00
Amendment No. 1: Option 1 11/18/2014 – 11/17/2015	\$4,652,000.00	\$9,304,000.00
<b><u>Amendment No. 2: Option 2</u></b> <b><u>11/18/2015 – 11/17/2016</u></b>	\$4,652,000.00	\$13,956,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: *Matt deWitt* 11/13/15

Printed Name: Matt deWitt  
Authorized Representative (Assistant Secretary)

Synagro of Texas-CDR, Inc.  
dba Synagro of Texas-CDR  
435 Williams Court,  
Baltimore, MD 21220  
(443) 489-9104  
[m.de Witt@synagro.com](mailto:m.de Witt@synagro.com)

Sign/Date: *Mike Benson* 11/17/15

Mike Benson, Chief Administrative Officer  
City of Austin  
Purchasing Office  
124 W. 8<sup>th</sup> Street, Ste. 310  
Austin, Texas 78701



**Amendment No. 1**  
to  
Contract No. NA140000022  
for  
**Biosolids Hauling Services and Land Application**  
between  
**Synagro of Texas -CDR, Inc.**  
**dba Synagro of Texas-CDR**  
and the  
**City of Austin**

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be effective November 18, 2014 through November 17, 2015. One option remains.
- 2.0 The total contract amount is increased by \$4,652,000.00 for the extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 11/18/2013 – 11/17/2014	\$4,652,000.00	\$4,652,000.00
<b>Amendment No. 1: Option 1</b> <b>11/18/2014 – 11/17/2015</b>	\$4,652,000.00	\$9,304,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: *Geoff Roberts* 10/16/14  
Printed Name: Geoff Roberts, CEO/PRESIDENT  
Authorized Representative

Synagro of Texas-CDR, Inc.  
dba Synagro of Texas-CDR  
435 Williams Court,  
Baltimore, MD 21220  
(443) 489-9047  
[jreed@synagro.com](mailto:jreed@synagro.com)

Sign/Date: *Michael Benson* 11/10/14  
Mike Benson  
Chief Administrative Officer

City of Austin  
Purchasing Office  
124 W. 8<sup>th</sup> Street, Ste. 310  
Austin, Texas 78701



**CITY OF AUSTIN**  
**PURCHASING OFFICE**  
**SUPPLEMENTAL PURCHASE PROVISIONS**  
**IFB NO. STA1091**

**4. TERM OF CONTRACT**

- A. The Contract shall be in effect for an initial term of 12-months and may be extended thereafter for up to two (2) additional 12-month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.
- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing).
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above. A price increase, subject to the provisions of this Contract, may be requested by the Contractor (for each period of extension) for approval by the City's Purchasing Officer or his designee.

**THIS IS A 12-MONTH CONTRACT.**

**FIRM PRICES ARE TO BE SUBMITTED FOR THE FIRST TWELVE (12) MONTH PERIOD**

**5. REQUIREMENTS**

Location:	Days: Monday through Friday
Hornsby Bend Wastewater Treatment Plant	7:00 AM to 5:00 PM
Biosolids Management Plant	
2210 S. FM 973	
Austin, Texas 78725	

**6. INVOICES and PAYMENT (reference paragraphs 12 and 13 in Section 0300)**

- A. Invoices shall contain a non-duplicated invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	Austin Water Utility
Attn:	Accounts Payable
Address	625 E. 10 <sup>th</sup> Street, STE 500
City, State Zip Code	Austin, TX 78701

- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

AWU-250

**BID SHEET  
CITY OF AUSTIN  
"BIOSOLIDS HAULING SERVICES AND LAND APPLICATION"**

**BID NO. STA1091**

**RQM NO. 2200 13061300423**

**BID OPENING DATE AND TIME: August 6, 2013 @ 2:15 PM**

**BUYER: Stephen Aden**

**Copies of Bid: Vendor must submit copies of its signed bid - ONE original and TWO copies.**

**Special Instructions: The Austin Water Utility anticipates expenditures of up to \$4,500,000 for every 12-month period, for a total of up to \$13,500,000 for 36 months.**

ITEM NO.	ITEM DESCRIPTION/STOCK NUMBER	QUANTITY	UNIT	UNIT PRICE
	The AWU estimates annual biosolids usage of at least 15,000 cubic yards in composting and 140,000 to 180,000 cubic yards in land application			
1	REGULAR HOURS - Transport and land application of Class B biosolids at Contractor's site, Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	32.00
2	AFTER HOURS, WEEKENDS OR HOLIDAYS - Transport and application of Class B biosolids at Contractor's site, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	32.00
2	REGULAR HOURS - Biosolids composting at Hornsby Bend, sampling, hauling and applying compost at Contractor's site Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	25.00
<b>FOR INFORMATIONAL PURPOSES ONLY - CONTRACTOR MUST COMPLETE TO BE CONSIDERED FOR AWARD OF CONTRACT</b>				
4	REGULAR HOURS - Transport and application, to a landfill, Monday through Friday, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	37.00
5	AFTER HOURS, WEEKENDS AND HOLIDAYS - Transport and application, to a landfill, sun up to sun down, including any and all charges for service.	1	CUBIC YARD	37.00
6	Price per cubic yard to haul and apply biosolids on site at Hornsby Bend. Contractor shall provide marking of field areas to be applied, perform application calculations, haul and apply with contractors equipment, provide soil sampling and analyses, and provide report on cubic yards and dry tons applied per field.	1	CUBIC YARD	7.00
7	Price to perform soil sampling on all land application fields at the Hornsby Bend site once per contract period, including analyses and report per TCEQ regulations and the Hornsby Bend permit.	1	PER ANNUAL SOIL SAMPLING	9,000.00

**COMPANY NAME:** Synagro of Texas-CDR, Inc.

**SIGNATURE OF AUTHORIZED REPRESENTATIVE:** 

**PRINTED NAME:** Eric Zimmer, President

**EMAIL ADDRESS:** abosinger@synagro.com

**ACCOUNTS RECEIVABLE POINT OF CONTACT: NAME** Brenda Metcalf **PHONE NUMBER:** 443-489-9086

**BIDDERS SHALL SUBMIT A "SAMPLE INVOICE" WITH BID.**

