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DEPARTMENT OF
FINANCE

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
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PROCUREMENT SERVICES DIVISION

April 19, 2005
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City Council
Sacramento, California

Honorable Members in Session

**SUBJECT: AUTHORIZATION TO ENTER INTO AGREEMENT WITH FORWARD
LANDFILL, INC. FOR DRINKING WATER TREATMENT PLANTS
SLUDGE DISPOSAL IN A TOTAL AMOUNT NOT TO EXCEED
\$350,000.00**

LOCATION AND COUNCIL DISTRICT: Districts 1 & 3

RECOMMENDATION:

This report recommends that the City Council suspend formal competitive bidding and authorize the City Manager to execute contracts for sludge disposal with Forward Landfill, Inc., in an amount not to exceed \$350,000.00.

CONTACT PERSONS: Mike Yee, Plant Services Manager, Dept. of Utilities, 808-5583
Marc Robles, Buyer II, Procurement Services, 808-6343

FOR COUNCIL MEETING: May 10, 2005

SUMMARY:

The Department of Utilities has a requirement for the purchase of sludge disposal services for the E.A. Fairbairn and Sacramento Water Treatment Plants. The disposal services will provide temporary measures to mitigate water treatment plant sludge disposal problems, while continuing to provide safe drinking water. This report recommends that the City Council suspend formal competitive bidding and contract with Forward Landfill, Inc., for sludge disposal services, in an amount not to exceed \$350,000.00. Forward Landfill is the only source available, within a reasonable distance, that can meet the City's contractual requirements.

BACKGROUND:

On September 20, 2004, the City was informed by the California Regional Water Quality Control Board (CRWQCB), that both of the City's drinking water treatment plants require CRWQCB Waste Discharge Permits and that further disposal of alum sludge at former disposal sites will be not allowed or considered until the permits are obtained. The City of Sacramento's drinking water treatment plants, as part of the water sedimentation and purification process, produce a waste solid of settled river silt, which is commonly referred to as alum sludge. The City treatment plants have traditionally disposed of the sludge by way of economical land storage, fill, or application at other disposal sites. Both plants currently use the natural, solar drying process, to take its sludge from a liquid containing 2-4% solids to a more solid and haulable sludge containing 20-50% solids. When haulable, the sludge is then transported to the disposal site.

Forward Landfill, a subsidiary of Allied Waste Industries of Manteca, is the only licensed firm in close proximity to the City that has the capacity to accept the quality of sludge that will be disposed by the City. The other landfills that were considered and contacted were: Kiefer, Yolo, Florin Perkins, Hayroad, and Placer. However, these landfills are currently not taking or cannot accept the large volume of sludge produced by our water treatment plants. The Department of Utilities is currently in the process of obtaining the Waste Discharge Permits, but the process can take a year or more. When obtained, the CRWQCB Waste Discharge permits will allow the City to seek more conventional methods of disposal, at a lower cost. The disposal cost for this recommended contract was negotiated to \$10/ton, from the original contract price of \$22/ton. Based upon the indefinite timing to secure the proper permits, staff is recommending that a contract be awarded to Allied Waste Industries for a disposal site through December 2006.

Therefore, staff recommends that the City Council adopt the attached resolution which suspends formal competitive bidding to award a contract to Forward Landfill, 1145 W. Charter Way, Stockton, CA, in a total amount not to exceed \$350,000.00.

FINANCIAL CONSIDERATIONS:

Sufficient funds for these services are available in the Capital Improvement Project (CIP), Fund 413 ZK11.

ENVIRONMENTAL CONSIDERATIONS:

Alum sludge collected at the treatment plants will be disposed of in accordance with all applicable environmental regulations and requirements.

POLICY CONSIDERATIONS:

The recommendations in this report are in accordance with provisions of the City Code section 3.56.230(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council.

ESBE CONSIDERATIONS:

Forward Landfill, Inc., is not certified as Emerging/Small Business enterprises.

Respectfully Submitted,

Approved:



Chris Stewart
Procurement Services Manager



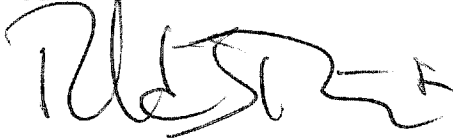
Gus F. Vina
Director of Finance

Approved:



Gary Reents
Director of Utilities

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**AUTHORIZATION TO ENTER INTO AGREEMENT WITH FORWARD LANDFILL, INC.
AND ISSUE A PURCHASE ORDER FOR DRINKING WATER TREATMENT PLANTS
SLUDGE DISPOSAL IN A TOTAL AMOUNT NOT TO EXCEED \$350,000.00**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. In accordance with City Code section 3.56.230(c), formal competitive bidding is hereby suspended and;
2. City Manager is authorized to issue the purchase order to Forward Landfill, Inc. for sludge disposal, in an amount not to exceed \$350,000.00

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____