

DATE: November 21, 2006  
TO: Utilities Commission  
FROM: Lonnie Thibodeaux, Interim Water Utilities Director  
SUBJECT: **RECOMMEND APPROVAL OF AN AMENDMENT TO A BIOSOLIDS HAULING SERVICES CONTRACT EXTENDING THE TERM FOR FIVE YEARS**

**SYNOPSIS:**

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council approve a contract amendment to extend the term for 5 years in an amount not to exceed \$4,740,992 to Solid Solutions of Garden Grove, to haul biosolids from the San Luis Rey and La Salina Wastewater Treatment Plants to permitted land application sites in Arizona; and authorization for the City Manager to execute the agreement.

**BACKGROUND:**

On February 13, 2002, Council approved a contract in the amount of \$3,802,660 with Solid Solutions of Garden Grove, California for biosolids hauling. Section 2.2 of the existing contract states that the agreement can be amended to extend the term for an additional five year period prior to the completion of the initial five-year contract period. The terms and conditions of the amended agreement shall be identical to the terms and conditions of the existing agreement.

In July 2006, the City Attorney reviewed a request from staff to extend the existing contract with Solid Solutions. It was suggested that staff obtain written bids to compare with the new rates provided by Solid Solution. Staff attempted to get written bids for comparison purposes without sending out a formal request for bids. There was either no response from the companies, they are not providing sludge hauling services anymore, or they do not provide the array of services that is required by the City of Oceanside. Staff did a rate comparison survey and found costs in the contract to be competitive. Instead of written bids, staff compiled a list of the costs paid by other area agencies for sludge hauling. These agencies and prices are listed below:

City of Encinitas, San Elijo Wastewater Facility - \$41.49 per wet ton

Cities of Carlsbad, Vista, San Marcos, Encina Wastewater Facility - \$43.39 per wet ton

City of Fallbrook, Fallbrook Wastewater Facility - \$49.50 per wet ton

Because of stricter regulations, it is becoming increasingly difficult, if not impossible, to find sludge hauling companies that have the number and variety of reuse locations in case one or more of the sites is not accepting sludge. In addition, it is difficult to find a company that can provide this service on the schedule required at both the San Luis Rey and La Salina Wastewater Treatment Plants.

**ANALYSIS:**

Solid Solutions is familiar with the requirements of both plants and has provided excellent service for the past five years. Their proposal for contract rates for the next five years is a Consumer Price Index (CPI) adjustment each year not to exceed 5.0%. Their current cost per wet ton is \$41.13. The annual change in the CPI since August 2005 is 4.3%, so the cost per ton for 2007 will be \$42.90.

The biosolids hauling costs as defined in the contract are rate-based and increase incrementally each year for five years. Staff estimates 20,000 tons of biosolids will be produced each year. Below are the annual estimated not to exceed costs including a potential variable fuel surcharge:

Contract Year	Not to exceed cost per year
12/06 – 12/07	\$858,000
12/07 – 12/08	\$900,900
12/08 – 12/09	\$945,945
12/09 – 12/10	\$993,242
12/10 – 12/11	\$1,042,904
<b>TOTAL ESTIMATED COST OVER 5 YEARS:</b>	<b>\$4,740,992</b>

**FISCAL IMPACT:**

Council approved an expenditure of \$1,031,989 in fiscal year 2006-2007 from the sludge hauling budgets for the San Luis Rey and La Salina Wastewater Treatment Plants so there are available funds. Council will review the incremental increase for sludge hauling each fiscal year during the budget process.

**COMMISSION OR COMMITTEE REPORT**

Does not apply

**CITY ATTORNEY'S ANALYSIS:**

Documents are being reviewed by the City Attorney.

**RECOMMENDATIONS:**

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council approve a contract amendment to extend the term for 5 years in an amount not to exceed \$4,740,992 to Solid Solutions of Garden Grove, to haul biosolids from the San Luis Rey and La Salina Wastewater Treatment Plants to permitted land application sites in Arizona; and authorization for the City Manager to execute the agreement.

PREPARED BY:

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Greg Blakely  
Water Utilities Division Manager

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DATE: November 21, 2006  
TO: Utilities Commission  
FROM: Lonnie Thibodeaux, Interim Water Utilities Director  
SUBJECT: **RECOMMEND ACCEPTANCE OF IMPROVEMENTS CONSTRUCTED BY WEST VALLEY CONSTRUCTION COMPANY, INC., OF SAN JOSE, FOR THE NORTH HARBOR DRIVE FORCE MAIN REPLACEMENT PROJECT**

### SYNOPSIS

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council accept the improvements constructed by West Valley Construction Company, Inc., of San Jose, for the North Harbor Drive Force Main project; and authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder.

### BACKGROUND

On January 18, 2006, City Council approved a construction contract with West Valley Construction Company, Inc. of San Jose in the amount of \$179,447 for the North Harbor Drive Force Main Replacement project (Exhibit A).

The City of Oceanside had a cast iron 6-inch force main in North Harbor Drive that was installed in 1961. The force main had required ongoing quarterly maintenance due to sulfides deteriorating the existing cast iron pipeline. This was compromising the structural integrity of the cast iron material and was not sufficient to support increasing harbor activity.

Daniel Boyle Engineering, Inc., of Oceanside, designed the new force main in North Harbor Drive. Staff estimated that the 1,250 linear feet (LF) of pipeline and associated mechanical work within Harbor 2 Lift Station would take approximately three (3) months to construct. The new 6-inch PVC pipeline in North Harbor Drive was constructed at a five (5) foot offset from the existing 6-inch cast iron force main in order to minimize sanitary service disruption to the harbor area served by the deteriorating pipeline.

## **ANALYSIS**

The North Harbor Drive Force Main Replacement project was completed by West Valley Construction Company, Inc., without any change orders.

## **FISCAL IMPACT**

In fiscal year 2006-2007, Council approved an appropriation of \$1,000,000 for Miscellaneous Sewer (722.869780) Capital Improvement Projects. The engineer's estimate to construct the project was \$275,000. The project was completed with no change orders for a total construction cost of \$179,447. Therefore, budgeted funds are available.

## **CITY ATTORNEY'S ANALYSIS**

The documents are being reviewed by the City Attorney.

## **COMMITTEE OR COMMISSION REPORT**

The Water/Sewer Committee approved staff's recommendation at its meeting on November 14, 2006.

## **INSURANCE REQUIREMENTS**

The City of Oceanside's standard insurance requirements will be met.

## **RECOMMENDATIONS**

Staff and the Water/Sewer Committee recommend that the Utilities Commission recommend that the City Council accept the improvements constructed by West Valley Construction Company, Inc., of San Jose, for the North Harbor Drive Force Main project; and authorize the City Clerk to file a Notice of Completion with the San Diego County Recorder.

PREPARED BY:

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Greg Blakely  
Administrative Manager

Exhibit A: Site map