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Department of Utilities
Wastewater Treatment Plant
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TO: Chairperson Vered Meltzer and Members of the Utilities Committee

FROM: Environmental Programs Coordinator Brian Kreski

DATE: February 9, 2022

RE: *Approve: Sole Source Organic Recycling Contractor Services contract to Hsu Growing Supply for a three-year term ending December 31, 2024 in the amount not to exceed \$247,500.*

BACKGROUND:

The Appleton Wastewater Treatment Plant (AWWTP) has operated a biosolids compost facility since the fall of 2010. Since its conception, the AWWTP has successfully contracted Hsu Growing Supply (Hsu) for compost processing services. Year-end 2021 marked the fifth consecutive contract term with Hsu. The last Organic Recycling Contractor Services request for quote (RFQ) process was last completed on March 1, 2017. At that time Hsu's was the only firm of six who was responsive to the RFQ. Reasons provided by the non-responsive firms included the inability to meet necessary qualifications, the inability to be competitive based on process frequency and distance to mobilize equipment, and/or the services being requested were outside of their corporate business model. Language was developed within the 2017-2020 Hsu contract that allows for an extension by mutual agreement from both parties in recognition of the uniqueness associated with services requested and the limited pool of firms capable of delivering them.

The original 2017 quote tabulation is summarized in Table 1. Firms were asked to quote on specific processing volumes that were established on past compost operations experience and potential needs arising from potential AWWTP 180-day biosolids storage limitations caused by the inability to conduct seasonal biosolids land application to farm fields. The Compost Program budget and contract award amount (over four years) was based on processing three “batches” of material annually for a total of 16,000 cubic yards (5,333 yards per batch).

Table 1: Organic Recycling Contractor Services Quotes

Company	Required Quote (by quarter)			Alternate Quotes	
	Compost Processing			Stockpiling	Screening
	2,500 YD	5,000 YD	10,000 YD	3,500 YD	1,000 YD
Hsu Growing Supply	\$19,125	\$26,250	\$42,500	\$12,075	-
Purple Cow Organics, LLC	DNQ				-
Veolia	DNQ				-
Soil Solutions	DNQ				-
Synagro Technologies	DNQ				-
Vandenberg Trucking	DNQ				-

Note: Fuel surcharges would apply.

QUOTATION:

At the conclusion of the 2021 contract extension, Hsu expressed interest in extending contract services. On January 27, 2022, Hsu submitted a formal letter that outlined their willingness to extend the contract for an additional three-year term with a fee structure (see Table 2) that accounts for price increases associated with equipment and labor. The proposed fees would represent nominally a 5% increase over the previous contract. Similar to past contracts, language would exist in the 2022-2024 contract that allows for an extension by mutual agreement from both parties at the end of the contract term. The contract award amount would be based on processing three batches of material (5,333 yards each) annually for a total of 16,000 cubic yards per year over the three-year term.

Table 2: Hsu’s 2022-2024 Contract Services Quote

Company	Required Quote (by quarter)			Alternate Quotes	
	Compost Processing			Stockpiling	Return
	2,500 YD	5,000 YD	10,000 YD	3,500 YD	Trip (turner)
Hsu Growing Supply	\$20,000	\$27,500	\$45,000	\$12,075	\$2,500

Note: Fuel surcharges would apply.

RECOMMENDATION:

Approval of sole source contract to Hsu Growing Supply for a three-year term ending December 31, 2024 in the amount not to exceed \$247,500. If you have any questions regarding this project, please contact Brian Kreski at 920-832-2316.