



"...meeting community needs...enhancing quality of life."

Department of Utilities
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TO: Chairperson Greg Dannecker and Members of the Utilities Committee

FROM: Environmental Programs Coordinator Brian Kreski

DATE: March 8, 2016

RE: *Award Compost Marketing Research Services contract to R. Alexander Associates in the amount of \$15,000 with a 7% contingency of \$1,050 for a project total not to exceed \$16,050.*

BACKGROUND:

Effective compost product marketing is critical to the future success and viability of the Appleton Wastewater Treatment Plant (AWWTP) Compost Program. Since 2010, AWWTP staff has methodically worked to establish a foundation for marketing efforts through public outreach, departmental website development, product brochures, research (UW-Oshkosh compost use study), and certification through US Composting Council's (USCC) Seal of Testing Assurance (STA) Program.

In 2013, Ron Alexander Associates Inc. (RAA) was contracted to perform an initial marketing study and facility audit which outlined AWWTP compost operations and industry accepted distribution/marketing practices. RAA suggested process and product improvements specific to compost operations at that time. Recommendations for suitable product applications were also provided to the AWWTP to help springboard future marketing efforts.

The AWWTP adopted recommendations within the 2013 RAA study and reached out to potential area compost users summarized within. To date these efforts have yielded positive results ranging from free limited quantity use trials by various landscape companies to larger volume bulk sales as part of residential and commercial development projects. However, while public support of the AWWTP Compost Program continues, compost demand from larger bulk users has not translated into reliable sales or supply contracts. The program staff determined it necessary at this juncture to include \$25,000 in the 2016 O&M budget. The funding would produce professional marketing services which would provide three key deliverables:

Complete updated market research. Identify 'buyer' leads and estimate realistic product value and quality characteristics required

Establish a single or a series of buyers for your compost production to match full production volumes

Developing a cost comparison between current operational expenses, vs. options to reduce costs

JUSTIFICATION:

Quotes were requested from four national firms experienced with organic recycling and compost marketing services. Two of the four firms provided quotes which are summarized in Table 1. Cycle Logic indicated that their schedule would not allow for additional commitments at this time and Coker Composting referred us to RAA or Cycle Logic for consulting services.

Table 1

Consulting Firm:	Price Quote
R. Alexander Associates	\$15,000
Hidden Resources	\$18,000
Cycle Logic	DNQ
Coker Composting & Consulting	DNQ

DNQ: Did not quote.

The AWWTP recommends awarding this market research service contract to RAA. Mr. Alexander has over 30 years of experience in the recycled organics industry and has completed over 400 related consulting projects throughout North America, Europe, Australia, and New Zealand. In 2000, RAA prepared a series of reports for the City of Appleton Department of Utilities and Department of Public Works (e.g., Biosolids Fertilizer Market Research, Biosolids Compost Market Research, Biosolids Composting Economic Analysis, Yardwaste Composting Economic Analysis). Mr. Alexander's extensive compost marketing experience and industry knowledge coupled with the familiarity of AWWTP compost initiatives (past and present) make it advantageous from a cost and deliverable standpoint to contract with RAA.

RECOMMENDATION:

It is recommended that the Utilities Committee award this contract to RAA for the continued market research of Appleton's Biosolids Compost in the amount of \$15,000 with a 7% contingency of \$1,050. The funding for this purchase had been included as part of the 2016 Utility O&M budget. If you have any questions regarding this project please contact Brian Kreski ph: 832-5945.