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**TO:** Chairperson Vered Meltzer and Members of the Utilities Committee

**CC:** Utilities Director Chris Shaw

**FROM:** Environmental Programs Coordinator Brian Kreski

**DATE:** August 19, 2021

**RE:** **Award Beneficial Reuse Management (BRM) an Extension for the 2022-2024 Biosolids Transportation, Application, and Incorporation Contract**

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**BACKGROUND:**

The Appleton Wastewater Treatment Plant (AWWTP) annually land applies approximately 23,000 wet tons of biosolids to agricultural fields as part of the Biosolids Management Program. The program is committed to effectively manage and utilize 100% of the biosolids produced through beneficial use alternatives such as agricultural land application and biosolids composting. Each year the AWWTP has contracted the transportation, land application, and incorporation of approximately 90% of the biosolids produced to permitted agricultural sites for land application as far away as 80 miles (one way).

In January 2016, the AWWTP concluded a request for quotation (RFQ) process for Biosolids Land Application Services. Those services involve the transportation, application, and incorporation of biosolids on permitted agricultural sites. In February 2016, that contract was awarded to Veolia Environmental Services covering the period from 2016 through 2020. Clean Harbors acquired Veolia Environmental Services in May of 2018 and resumed services under the existing contract with the AWWTP.

On October 8, 2019 a letter was submitted to the AWWTP by Clean Harbors indicating it would not proceed with work under the existing contract unless the AWWTP agreed to pay an additional surcharge of 20% to 24% based on the mileage range to permitted sites. A decision to proceed in a different direction was based on the unexpected request by Clean Harbors coupled with their inability to satisfy baseline contract conditions. Consequently, a formal RFQ process for services was immediately pursued with the support of Utilities Department Director, Deputy Director, Environmental Programs Coordinator, Deputy City Attorney, and the Enterprise Account Manager.

**RFQ RESULTS (2019-2021):**

The RFQ was sent to five firms that had the capacity and experience to satisfy the qualifications required by the AWWTP for these contracted services for a contract term from October 2019 through December 2019 along with two optional years in 2020 and 2021. Two of the five provided a formal response. Based on the results of that RFQ process, Beneficial Reuse Management (BRM) was awarded the 2019-2021 contract. It should be noted that the BRM contract over the life of the three-year term was

3% less than the 2019 Clean Harbors surcharge rates and approximately. Additionally, the BRM proposal is 12% less than the second firm that submitted a cost proposal as part of the RFQ process.

### **2022-2024 Contract Extension Rates**

The BRM extension proposal is summarized in Table 1. The Transportation and application rates for 2022 remain unchanged from 2021 but do escalate in the subsequent years to accommodate increases in costs incurred by BRM for expenditures such as scaling, fuel, labor, and miscellaneous overhead. Even with those increase, BRMs rates remain competitive in comparison to the other quote received as part of the last RFQ process (i.e. BRM 2024 rate is 7% less than 2021 rate provided by the second firm).

**Table 1:**

BRM Contract Year:	2021	2022	2023	2024
Transportation and Application:	\$ 407,855.71	\$ 407,855.71	\$ 413,476.91	\$ 421,746.45
% Increase:		0%	1%	2%
Total Cost with Negotiated Terms:	\$ 455,055.71	\$ 484,055.71	\$ 490,876.91	\$ 500,346.45
% Increase:		6%	1%	2%

It is noteworthy that BRM has provided efficient, reliable, and regulatory compliant services over the life of the existing contract. In doing so, BRM has helped avoid the need to employ more costly alternatives such as biosolids composting or landfilling.

### **RECOMMENDATION:**

I am requesting that the 2022-2024 Biosolids Transportation and Application Services Contract be awarded to Beneficial Reuse Management based on the rates provided in the attached proposal extension.

If you have any questions or require additional information regarding this request or the AWWTP biosolids program please contact Brian Kreski at 920-832-5945.