

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES

FROM: EMMA WALTON, DEPUTY DIRECTOR REGIONAL WATER
REUSE OPERATIONS, WATER DEPARTMENT
ZACHARY KAY, BIOSOLIDS COORDINATOR, WATER
DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
TRACY VERA, BUYER, AUTHOR

SUBJECT: APPROVAL – FOURTH AMENDMENT TO GENERAL SERVICES
AGREEMENT F001643 WITH PORTOLA MINERALS COMPANY
DBA BLUE MOUNTAIN MINERALS, INC.

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, approve the Fourth Amendment to General Services Agreement (GSA) F001643 with Portola Minerals Company, dba Blue Mountain Minerals, Inc., Columbia, California, for the supply and delivery of agricultural lime, to extend the Agreement for one-year with a 13.28% increase in unit cost and increase compensation by \$248,000, for a total not to exceed amount of \$810,000.

EXECUTIVE SUMMARY

In order to meet Federal regulations relative to soil pH levels, the Water department uses agricultural lime, incorporated with biosolids generated from the Laguna Treatment Plant, as a soil additive. The Fourth Amendment will extend the Agreement for one year and increase compensation as necessary to facilitate the continued acquisition and delivery of agricultural lime. Portola Minerals Company, dba Blue Mountain Minerals, Inc. continues to provide exemplary services.

BACKGROUND

US EPA 40 CFR Part 503 – Standards for the Use or Disposal of Sewage Sludge requires that soil pH be at or above 6.5 for biosolids agricultural land application. A pH of 6.5 or above helps soils absorb more nutrients beneficial to food, animals, and

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permits improved water penetration. Therefore, in order to correct pH levels that are below this limit, there is a requirement to add agricultural lime. Yearly needs can vary significantly. The agricultural lime purchased will be applied along with biosolids from the City's Laguna Treatment Plant to fertilize cropland used to produce hay.

In February of 2018, the City underwent a formal Invitation for Bids (IFB) 18-13 process in which bids were obtained for the forecasted annual need of agricultural lime. Portola Minerals Company, dba Blue Mountain Minerals Inc., was deemed the lowest responsive and responsible bidder.

See Agreement history below:

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	May 17, 2018	Two-year Agreement	\$230,000	Board of Public Utilities
First Amendment	January 17, 2019	Add compensation	\$153,000	Board of Public Utilities
Second Amendment	April 20, 2020	Extend one-year and increase compensation	\$109,000	Board of Public Utilities
Third Amendment	March 29, 2021	Extend one-year and increase compensation	\$70,000	City Manager
Fourth Amendment	Pending	Extend one-year and increase compensation	\$248,000	Board of Public Utilities
Total Cumulative Contract Value Pending			\$810,000	

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

May 17, 2018 - Approval of a two-year General Service Agreement (GSA)
January 17, 2019 – Approval of the First Amendment to GSA F001643
April 20, 2020 – Approval of the Second Amendment to GSA F001643

ANALYSIS

An extension proposal submitted by Portola Minerals Company, dba Blue Mountain Minerals, Inc. with a 13.28% increase to unit price was received. The cost increase is based on BLS Producer Price Index (PPI) for Crushed and Broken Limestone (Series ID: PCU2123122123120), showing an increase of 10.33%, and Diesel Fuel Series ID: PCU324110324110C2) showing an increase of 44.54%. City staff has thoroughly

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analyzed the increase in unit pricing and has determined the extension proposal is considered fair, reasonable and in the City's best interest to extend the current agreement.

Under the City's Code 3-08.110, the extension and increase of compensation to Agreement F001643 requires approval by the Board of Public Utilities.

FISCAL IMPACT

Funds for this expense are included in the current fiscal year and will be included in the proposed budget for Fiscal Year 2022-23 as a normal operating expense and will be budgeted in subsequent fiscal year budgets when approved by Council

ENVIRONMENTAL IMPACT

Use of agricultural lime is part of the City's Biosolids land application project on City-owned and private lands, which has been reviewed consistent with the California Environmental Quality Act (CEQA), pursuant to (1) Residuals Processing Mitigated Negative Declaration adopted in 1977, (2) the Santa Rosa Subregional Sludge Beneficial Use Project Program EIR certified in 1991, (3) the Management Plan for the Beneficial Reuse of Biosolids by Land Application CEQA TM 2.2 adopted in 1993, and (4) the South County Biosolids Reuse MND adopted in 2010.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

ATTACHMENTS

- Resolution

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