

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: KIMBERLY ZUNINO, DEPUTY DIRECTOR, WATER
DEPARTMENT
ZACK KAY, BIOSOLIDS COORDINATOR, WATER
DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT
FINANCE DEPARTMENT
SUBJECT: CONTRACT APPROVAL - FIRST AMENDMENT TO GENERAL
SERVICES AGREEMENT F001709 PONCIA FERTILIZER INC.

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board, by resolution, approve the First Amendment to General Service Agreement F001709 for a one-year extension with an increase in compensation for biosolids spreading services with Poncia Fertilizer, Inc., Cotati, California, in the amount of \$46,672, for a cumulative total not to exceed \$134,732.

EXECUTIVE SUMMARY

On June 7, 2018, the City Manager awarded a one-year term General Services Agreement (GSA) F001709 with three (1) one-year extension options for biosolids spreading services to Poncia Fertilizer, Inc. Biosolids spreading services consist of applying biosolids and agricultural lime on designated City owned and privately held farmlands during the months of July – October. The current Agreement expires on June 30, 2020.

BACKGROUND

Biosolids are solids which have been removed from wastewater at the Laguna Treatment Plant then treated to a standard such that they are available for beneficial reuse. Approximately 65% of the biosolids produced by the Laguna Plant are land applied on City-owned and privately held agricultural farmlands in Sonoma County. The biosolids provides nutrients which enrich the soil, improving soil health and increasing productivity. Biosolids application services consists of spreading the biosolids onto the particular fields designated for the application. To meet regulations and improve nutrient uptake, soil

acidity must be controlled when applying biosolids. Agricultural lime is applied as-needed to soils in conjunction with the biosolids application.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not applicable.

ANALYSIS

Staff received a one-year extension proposal with an 6% increase in contract price. The Consumer Price Index Not Seasonally Adjusted for San Francisco-Oakland-Hayward, CA shows a 3.9% increase from June 2018 to December 2019. Fuel based increases in this period shows a 1.5% increase, for a total 5.4%. This Amendment will be good through June 30, 2021 and the remaining .6% is to help alleviate any additional increases during this period. Based on this information, staff determines the 6% increase is considered fair and reasonable.

The City and Poncia Fertilizer Inc. entered into an agreement on June 7, 2018 awarded by City Manager. See contract activity chart below:

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	June 7, 2018	Two Year with three (3) one-year extension options	\$88,060	City Manager
First Amendment	Pending	One-year extension with 6% increase in unit price, and increase compensation	\$46,672	BPU
Cumulative Contract Value			\$134,732	

With approval of the First Amendment, the cumulative value of Agreement F001709 will be \$134,732. Under the City's Contract/Purchase Order Modification Policy III-9, the First Amendment of GSA F001709 requires approval by the Board of Public Utilities.

FISCAL IMPACT

Funds required for this operational expense are included in the Fiscal Year 2019-20 adopted budget of the Water Department and will be included in subsequent budgets to be approved by the City Council.

ENVIRONMENTAL IMPACT

The spreading of the City's biosolids has been reviewed and is consistent with the California Environmental Quality Act (CEQA), pursuant to the Santa Rosa Subregional Sludge Beneficial Use Project Program Environmental Impact Report (EIR) certified in 1991 and the South County Biosolids Reuse Mitigated Negative Declaration (MND) adopted by the Board of Public Utilities in 2010. Therefore, no additional environmental review is required or necessary.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

ATTACHMENTS

- Attachment 1 – First Amendment to General Services Agreement Number F001709 with Poncia Fertilizer, Inc.

CONTACT

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