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TO: Board of Contracts and Awards
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
 Daniel C. Thompson, Ph.D., Division Manager, Business Operations
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
 Jill Tibbs, Finance/Purchasing
SUBJECT: Sawdust for TAGRO Operations
 Request for Bids Specification No. ES15-0596F – December 1, 2015
DATE: November 13, 2015

SUMMARY:

The Environmental Services Department recommends a contract be awarded to low bidder Gem Shavings, L.L.C., Auburn, WA, in the amount of \$450,000.00, not including sales tax, for sawdust used in the creation of TAGRO soil amendment on an as-needed basis, for an initial two-year term with the option to renew for three additional one-year terms, for a projected contract total of \$1,125,000.00, not including sales tax.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The City of Tacoma TAGRO products provide for the recycling of 100 percent of the biosolids produced in the City of Tacoma.

BACKGROUND:

ISSUE: Sawdust is a necessary ingredient in making TAGRO Mix and related products at Tacoma's Central Wastewater Treatment Plant. TAGRO is an organic, manufactured soil amendment made with dewatered biosolids "cake," sand and sawdust. It is available to residential and farming communities for use on lawns, landscaping, gardens and some pasturelands. The final product is put on citizens' lawns and yards.

ALTERNATIVES: An alternative would be to not award this contract and either go out to bid again, or research a substitute raw material and in the meantime stop making TAGRO, as sawdust is a required raw material. TAGRO generates approximately \$580,000 annually.

COMPETITIVE SOLICITATION: Request for Bids Specification No. ES15-0596F was opened November 3, 2015. Several companies were invited to bid in addition to normal advertising of the project. One submittal was received. The table below reflects the amount of the initial contract term.

<u>Respondent</u>	<u>Location (city and state)</u>	<u>Submittal Amount</u>	<u>Evaluated Submittal</u>
Gem Shavings, L.L.C.	Auburn, WA	\$450,000.00	\$450,000.00

Pre-bid Estimate: \$1,170,000.00

The recommended award is 4 percent below the pre-bid estimate.



CONTRACT HISTORY: New contract.

SUSTAINABILITY: City of Tacoma TAGRO products provide for the recycling of 100 percent of the biosolids produced in the City of Tacoma. The sawdust is acceptable for use as an ingredient in making TAGRO soil amendment products at Tacoma's Central Wastewater Treatment Plant. TAGRO is an organic soil amendment, manufactured with dewatered biosolids, sawdust, and sand. The highest quality raw materials are required to meet the product quality standard for TAGRO products.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Environmental Services Department recommends a contract be awarded to low bidder Gem Shavings, L.L.C., Auburn, WA, in the amount of \$450,000.00, not including sales tax, for sawdust used in the creation of TAGRO soil amendment on an as-needed basis, for an initial two-year term with the option to renew for three additional one-year terms, for a projected contract total of \$1,125,000.00, not including sales tax.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Wastewater Fund 4300	527000	5241000	\$1,125,000.00
TOTAL			\$1,125,000.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Wastewater Fund 4300	527000	4343755	\$1,125,000.00
TOTAL			\$1,125,000.00

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$225,000.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes