



**TO:** Board of Contracts and Awards  
**FROM:** Michael P. Slevin III, P.E., Director, Environmental Services *MPS*  
Daniel C. Thompson, Ph.D., Division Manager, Business Operations  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, Joseph Parris, Senior Buyer, Finance/Purchasing; Steve Schmidt, Assistant Division Manager  
**SUBJECT:** Sawdust for TAGRO Operations – Contract Increase, Request for Bids Specification No. PW10-0395F, Contract No. 4600006642 – April 29, 2014  
**DATE:** April 10, 2014

**SUMMARY:**

The Environmental Services Department requests approval to increase and extend Contract No. 4600006642 with Gem Shavings LLC, Auburn, WA, in the amount of \$315,000, sales tax not applicable, for a cumulative total of \$700,000, budgeted from the ES Wastewater Fund 4300, for sawdust used in the creation of TAGRO soil amendment products, through September 30, 2015.

**STRATEGIC POLICY PRIORITY:**

- Strengthen and maintain a strong fiscal management position.
- Foster neighborhood, community, and economic development vitality and sustainability.

The City of Tacoma TAGRO products provide a mechanism to recycle 100 percent of the biosolids produced in Tacoma.

**BACKGROUND:**

**ISSUE:** Greater than anticipated usage has occurred and will continue to occur due to increases in sales volume of the TAGRO soil amendment products.

**ALTERNATIVES:** The alternative to not increasing and extending existing contract through the end of the allowable contract period, will require the contract to terminate and a new bid to be created along with new product specification review, new approvals, potentially new and increased unit pricing, new quality control review for a new sawdust product provided by a different vendor, new delivery instructions communicated for the product needed to maintain this high quality raw material in the City TAGRO product.

**COMPETITIVE SOLICITATION:** This contract was originally awarded to Gem Shavings LLC as a result of Request for Bids Specification No. PW10-0395F in September 2010. The contractor has agreed to increase the contract at the same prices, terms, and conditions as the original contract.

**CONTRACT HISTORY:** The proposed contract increase would be the third renewal of the original contract with Gem Shavings LLC. The original contract, Purchase Resolution No. 38109 adopted by the City Council on September 21, 2010, was a result of Request for Bids Specification No. PW10-0395F, in the amount of \$385,000, sales tax not applicable, for an initial two-year term with the option to renew for three additional one-year terms. This increase, in the amount of \$315,000, would bring the contract to a cumulative total of \$700,000, through September 30, 2015.

**SUSTAINABILITY:** The City of Tacoma TAGRO products provide for recycling of 100 percent of the biosolids produced in Tacoma. The sawdust on Contract No. 4600006642 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 sandy soil. The highest quality raw materials are required as this product is used on thousands of residential properties.

**RECOMMENDATION:**

The Environmental Services Department recommends the approval of an increase and extension of Contract No. 4600006642 with Gem Shavings LLC, Auburn, WA, in the amount of \$315,000, sales tax not applicable, for a cumulative total of \$700,000, for sawdust used in the creation of TAGRO soil amendment products, through September 30, 2015.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Wastewater Fund 4300	527000	5241000	\$315,000
<b>TOTAL</b>			<b>\$315,000</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
ES Wastewater Fund 4300	523900	4343150	\$315,000
<b>TOTAL</b>			<b>\$315,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$165,000**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** Yes, for the 2013/2014 Budget.

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

Funding beyond the current biennium is subject to future availability of funds. Funds are anticipated to be included in the 2015/2016 Biennium Budget. No budget modifications are required.