

## MEMORANDUM

TO: City Council

FROM: David J. Deutsch  
City Manager

SUBJECT: Sludge Disposal Contract  
R-38-09

DATE: June 9, 2009

About twenty-three years ago, the City of Bowie initiated a sludge management program to dispose of sludge on properties purchased for this program. This approach was taken because past bids had resulted in prices of about \$60 per ton. Fifteen years ago, Public Works put out a bid for contract sludge removal. The price came in at only \$33 per ton and this warranted a reexamination of our program. As a result, we eliminated our in-house program and contracted for the disposal of all City sludge.

For the past ten years the City has "piggybacked" on the WSSC bid. This gave us the benefit of their purchasing power. Their bid was for over 90,000 tons a year and we only generate about 3,300 tons annually. Five years ago we "piggybacked" with Recyc Systems, Inc., for which we are currently paying \$30.63 per ton.

WSSC has recently awarded their latest public bid for sludge removal. This is a one-year bid with four one year options for renewal. The first year is set at \$33.77 per ton with annual increases set to the Consumer Price Index. In addition, their bid price includes a fuel surcharge of \$5.40 per ton, based on the driving distance from the Blue Plains Treatment Plant to the sludge disposal site in King George, Virginia. The low bidder is Recyc Systems, Inc., which is the company that Bowie and WSSC have been using for the last ten years. Recyc Systems, Inc. has indicated that they will honor all stipulations in the WSSC bid except they require an additional fuel surcharge of \$1.20 per ton due to the cost for their trucks to travel an additional 25 miles each way to the City of Bowie. Our Public Works Department believes this is still very reasonable.

The attached resolution requests Council approval to execute this contract with Recyc Systems, Inc. Because Recyc Systems is not offering the City the exact same price as it has offered to WSSC, this contract cannot technically be considered the sort of cooperative bidding contract that the City Manager may execute without bids under Section 62 of the Charter. Nevertheless, the Council may, upon two-thirds vote, pursuant to Charter Section 61(B)(3), waive the Charter's bidding requirements for good cause shown. Given the circumstances as set forth above, staff recommends that a bid waiver resolution be passed by the Council, authorizing the City to participate in the contract offered to WSSC with respect to all terms other than price and accepting Recyc System's bid of \$33.77 per ton plus \$6.60 per ton fuel surcharge.

Although the total cost for the hauling and disposal of sludge is over budget by \$26,000, there are sufficient funds in the Reserve for Contingencies account.

DJD:RJH:jt

**RESOLUTION**

**OF THE COUNCIL OF THE CITY OF BOWIE, MARYLAND  
BY TWO-THIRDS VOTE WAIVES BIDDING REQUIREMENTS FOR THE  
HAULING/DISPOSAL OF BIOSOLIDS FROM THE BOWIE WASTE WATER TREATMENT  
PLANT AND AUTHORIZING A CONTRACT PURSUANT TO THE TERMS AND  
CONDITIONS OF AN AGREEMENT BETWEEN THE WASHINGTON  
SUBURBAN SANITARY COMMISSION AND RECYC SYSTEMS, INC.**

**WHEREAS**, the City of Bowie (the "City") disposes of lime stabilized sewage sludge or biosolids at a rate of approximately 3,300 wet tons annually; and

**WHEREAS**, the Washington Suburban Sanitary Commission ("WSSC") recently awarded a contract to Recyc Systems, Inc. of Remington, Virginia, for the hauling and/or disposal of biosolids; and

**WHEREAS**, Recyc Systems has offered the City the opportunity to enter into a contract for sludge disposal based upon WSSC's bidding process at the same terms offered to WSSC except as to a fuel surcharge; and

**WHEREAS**, WSSC's procurement procedures with respect to obtaining competitive bids are substantially comparable to those of the City and the City would, under Section 62 of the Charter, be entitled to enter into a contract based upon WSSC's bid process if the City had been offered the same terms by the bidder; and

**WHEREAS**, the bid price provided to WSSC by Recyc Systems is \$33.77 per ton plus a \$5.40 per ton fuel surcharge related to the hauling distance from the WSSC Blue Plains treatment plant. Due to the additional 25 mile travel distance to Bowie, Recyc Systems is requiring an additional fuel surcharge of \$1.20 per ton, which still makes the overall cost (\$40.37 per ton) favorable to the City with respect to prices available for biosolid removal upon the open market; and

**WHEREAS**, the City Council is authorized by Section 61(B)(3) of the City Charter to waive the bidding processes otherwise required by Section 61 by two-thirds vote, for good cause shown; and

**WHEREAS**, this contract with Recyc Systems, Inc. is for a term of one year with four one year options to renew; and

**WHEREAS**, Recyc Systems has been providing biosolid removal services for the City for the past ten years in a very satisfactory manner; and

**WHEREAS**, it is in the best interest of the City of Bowie to enter into a contract with Recyc Systems, Inc. for the hauling and/or disposal of biosolids.

**NOW, THEREFORE, BE IT RESOLVED**, upon two-thirds vote of its members, that the Council of the City of Bowie, Maryland waives bidding requirements for hauling and/or disposing of biosolids in order to become a party to the terms of the WSSC contract with Recyc Systems, Inc.; and

**BE IT FURTHER RESOLVED**, by the Council of the City of Bowie, Maryland that the Council accepts the terms and conditions contained in the WSSC contract with Recyc Systems, Inc. and hereby authorizes the City Manager to execute a contract with Recyc Systems, Inc. of Remington, Virginia, for one year at a cost of \$33.77 per ton plus \$6.60 per ton fuel surcharge with four one year options to renew at an annual adjustment pursuant to the CPI formula established in the WSSC-Recyc Systems, Inc. contract.

**INTRODUCED AND PASSED** by the Council of the City of Bowie, Maryland, at a Regular Meeting on June 15, 2009.

**WITNESS:**

**THE CITY OF BOWIE, MARYLAND**

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Pamela A. Fleming, City Clerk

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G. Frederick Robinson, Mayor