



OPERATIONS COMMITTEE

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Agenda Report

File #: 2024-3898

Agenda Date: 11/6/2024

Agenda Item No: 8.

FROM: Robert Thompson, General Manager
Originator: Lan C. Wiborg, Director of Environmental Services

SUBJECT:

BIOSOLIDS HAULING SERVICE CONTRACT, SPECIFICATION NO. S-2024-624BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve General Services Contracts to two contractors: Synagro-West, LLC and Rust Logistics, Inc. to provide biosolids hauling services from Orange County Sanitation District's Reclamation Plant Nos. 1 and 2 to the various management facilities, Specification No. S-2024-624BD, each for a three-year period, effective January 1, 2025 through December 31, 2027, for a total amount not to exceed \$9,000,000 per contract which includes unit prices per ton for biosolids hauling, monthly fuel surcharge, and annual consumer price index (CPI) adjustment; and
- B. Approve two (2) optional one-year renewals for \$3,000,000 per year, per contract; and
- C. Approve a 10% contingency per contract; and
- D. Approve the addition of the new contracts to the Biosolids Program effective January 1, 2025.

BACKGROUND

The Orange County Sanitation District (OC San) continues to actively pursue biosolids hauling options to maintain a long-term, sustainable program that promotes diversification and beneficial use of biosolids. OC San maintains a diverse portfolio of biosolids hauling and management options that utilize multiple contractors, facilities, and biosolids product markets, while maintaining fail-safe, back-up options.

OC San produces approximately 530 tons per day (tpd) of biosolids. Currently, OC San relies on a single direct hauling contractor for part of its biosolids management, with the remainder handled through separate composting and land application contracts that include hauling. To enhance resiliency during emergencies and potential fluctuations, OC San is looking to expand and replace the current contract that is set to expire on December 31, 2024. OC San issued a Notice of Inviting Bid (NIB) on June 26, 2024. The NIB was for biosolids hauling services for up to 325 tpd (~60%) of biosolids plus a fail-safe management capacity of 100% of OC San's biosolids to ensure reliability.

RELEVANT STANDARDS

- Maintain and adhere to appropriate internal planning documents (Resolution No. OC SAN 13-03, 2017 Biosolids Master Plan, 2023 Strategic Plan, etc.)
- Sustain 1, 5, 20-year planning horizons
- Ensure the public's money is wisely spent
- Comply with environmental permit requirements
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Use all practical and effective means for resource recovery
- Safe, beneficial reuse of Biosolids

PROBLEM

OC San's current biosolids hauling services contract is expiring on December 31, 2024, and a replacement contract is needed to routinely haul up to 60% of biosolids and to provide fail-safe capacity (including landfill transportation) for up to 100% of OC San's biosolids in case of an emergency.

PROPOSED SOLUTION

Approve contracts to both Synagro-West, LLC (Synagro) and Rust Logistics, Inc. (Rust) to ensure diversity of transportation alternatives to the various biosolids management facilities and maintain a fail-safe capacity that can transport up to 100% of OC San's biosolids.

TIMING CONCERNS

OC San requires the contract approved, executed, and insurance processed before the December 31, 2024, expiration date to ensure there is no lapse between contracts and allow the new service provider sufficient time to transition into the role effectively.

RAMIFICATIONS OF NOT TAKING ACTION

If the contracts are not approved, OC San would not have a way to deliver a significant portion of the biosolids produced to the regional composting facilities. As a consequence, OC San would need to utilize emergency hauling services instead. In the event that the routine or emergency hauling services are not available, it would cause OC San's treatment systems to back up and/or foul since there is little to no additional space to store biosolids onsite.

Additionally, OC San aims to achieve a 100% beneficial reuse rate for biosolids in accordance with Resolution No. OC SAN 13-03, 2017 Biosolids Master Plan, and 2023 Strategic Plan. If these contracts are not approved, OC San may fall short of this level of service commitment and lack the necessary resiliency in the event of a shortage of haulers.

PRIOR COMMITTEE/BOARD ACTIONS

March 2021 - Approved a Service Contract to Denali Water Solutions, LLC to collect and haul Orange County Sanitation District’s biosolids from Reclamation Plant No. 1 and/or Treatment Plant No. 2 to the Inland Empire Regional Composting Facility and alternative sites if needed for the period beginning May 12, 2021 through December 21, 2022, for the unit price of \$15.45 per ton of biosolids, plus fuel surcharges, for a total amount not to exceed \$600,000 per contract term, with four (4) one-year renewal options; and approved a 10% unit price per ton contingency.

October 2020 - Authorized the General Manager to amend biosolids management contracts in the Biosolids Account Pool (BAP) to move funds from one contract to another within the BAP, as necessary due to anticipated changes in climate, regulations, contractor performance, or to realize operational and financial efficiencies; with the total of all contracts not to exceed the Board authorized annual amount of \$19,000,000.

ADDITIONAL INFORMATION

An NIB was issued on June 26, 2024. OC San received two responsive bids, both of which were evaluated and individually scored based on the cost-per-ton proposed to each of the following four management sites:

- Inland Empire Regional Composting Facility (IERCF) (Rancho Cucamonga, CA)
- Nursery Products (Helendale, CA)
- Liberty Compost (Liberty) (Lost Hills, CA)
- South Kern Compost Manufacturing Facility (South Kern) (Taft, CA)

	IERCF	Nursery Products	Liberty	South Kern
Synagro	\$22.21/ton	\$39.77/ton	\$39.79/ton	\$40.44/ton
Rust	\$20.58/ton	\$39.08/ton	\$58.58/ton	\$54.58/ton

Staff will manage each of these contracts in the most cost-effective manner possible, but final allocations will also be based on OC San’s needs and requirements as well as the performance of each contractor.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San’s Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and FY 2025-26, Section 6, Page 92, Collections Facilities Operations and Maintenance) and the budget is sufficient for the recommended action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- General Services Contract - Synagro-West, LLC
- General Services Contract - Rust Logistics, Inc.