



DATE: September 29, 2025
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser
SUBJECT: Resolution to approve Fourth Amendment to Peoplesoft Contract ID 1000025273 (Term Contract 63002 – Class A Biosolids Management Services)

Enclosed please find the proposed resolution authorizing the Office of Contract Administration (OCA) to amend PeopleSoft Contract ID 1000025273 (Term Contract 63002) with Lystek International Limited for the production and management of Class A biosolids, increasing the contract not to exceed (NTE) amount from \$15,900,000 to \$36,670,000, and extending the contract term to June 30, 2029.

Background

The City has two main wastewater treatment plants, the Southeast Treatment Plant and the Oceanside Water Pollution Control Plant, that produce approximately 54,000 wet tons of biosolids per year. PeopleSoft Contract ID 1000025273 (Term Contract 63002) entails the conversion and management of approximately 45,000 wet tons of the City's biosolids into either a liquid fertilizer or a compost which meets the federal requirements for Class A biosolids. Under this contract, biosolids are transported to one of two facilities outside of San Francisco: Lystek Fairfield Organics Material Recovery Center (OMRC) and SynaGro Central Valley Compost (CVC). Once the biosolids are converted into liquid fertilizer or compost, the contractor is responsible for the material's subsequent use. The seven (7) year contract NTE for this contract is based on the anticipated tonnage of biosolids requested at the facilities by the City multiplied by the cost per ton over the contract's term.

Invitation for Bids (Sourcing Event 0000006728)

This contract was awarded pursuant to a solicitation (Sourcing Event 0000006728) conducted on March 29, 2022 by the Office of Contract Administration (OCA). The solicitation resulted in the award to Lystek International Limited, as the lowest responsive bidder. On July 1, 2022, OCA entered into a contract with Lystek International Limited, setting an initial term from July 1, 2022 to June 30, 2027, and a NTE amount of \$15,900,000. The original contract is under File No. 220600 with the Clerk of the Board of Supervisors.

This amendment is authorized under this solicitation, which allows for an option to extend the term by up to two (2) additional years, for a total of seven (7) years, and allows for the contract NTE to be increased proportionally should the contract be extended.

Contract NTE Calculation

As outlined in Table 1 below, the NTE amount is based on the City's projected total seven-year spend, the total encumbrances for the period of October 2022 to June 2025 (Table 2), and the anticipated spend for the period of July 2025 to June 2029 (Table 3). A 15% contingency is included to account for potential price increases and increased usage, as permitted under the contract.



Table 1: Contract NTE Calculation for Contract ID 1000025273 with Lystek International Limited

Description	Value
Total Encumbered Funds as of June 30, 2025	\$ 13,135,195
Estimated Monthly Encumbrances from July 1, 2025 to June 30, 2029	\$ 426,436
Number of Months from July 1, 2025 to June 30, 2029	48
Total Funds Needed from July 1, 2025 to June 30, 2029	\$ 20,468,906
Less Remaining Contract Balance as of June 30, 2025	\$ (2,764,805)
Plus Contingency (15%)	\$ 3,070,336
Total Additional Funds Needed from July 1, 2025 to June 30, 2029	\$ 20,774,436
Current Executed Contract NTE	\$ 15,900,000
Proposed Revised Executed Contract NTE	\$ 36,674,436
Proposed Revised Executed Contract NTE (Rounded to nearest \$10,000)	\$ 36,670,000

PO Encumbrances

As outlined in Table 2 below, the San Francisco Public Utilities Commission encumbered approximately \$13,100,000¹ from October 2022 to June 2025.

Table 2: Total PO Encumbrances by City Departments between October 2022 to June 2025 for Production and Management of Class A Biosolids

Department	2022	2023	2024	2025	Grand Total
PUC	\$ 3,259,672	\$ 3,727,406	\$ 5,548,117	\$ 600,000	\$ 13,135,195
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Estimated Monthly Spend

As outlined in Table 3 below, the total estimated monthly spend from July 2025 to June 2029 is calculated based on the estimated annual wet tons and the price per wet ton for the two facilities where biosolids are transported to and converted to liquid fertilizer or compost.

¹ This amount is based on Total PO encumbrances for Term Contract 63002 (PeopleSoft Contract ID 1000025273) from October 2022 to June 2025.



Table 3: Total Estimated Spend from July 2025 to June 2029

Facility	Estimated Annual Wet Tons	Price Per Wet Ton	Estimated Spend Per Year	Estimated Monthly Spend	Total Estimated Spend from July 1, 2025 to June 30, 2029
Lystek Fairfield Organics Material Recovery Center (OMRC)	36,628	\$ 122.33	\$ 4,480,703	\$ 373,392	\$ 17,922,813
SynaGro Central Valley Compost (CVC)	8,372	\$ 76.03	\$ 636,523	\$ 53,044	\$ 2,546,093
Total	45,000		\$ 5,117,226	\$ 426,436	\$ 20,468,906

Recommendation

This contract is a critical element of the City’s biosolids management program at its wastewater treatment facilities. Without this contract, the City risks lacking sufficient contracted capacity to manage its biosolids in compliance with SB 1383.

For these reasons, timely approval of this resolution is essential to ensure the City maintains sufficient capacity to manage its biosolids and remain in compliance with SB 1383.

If you have any questions or require additional information, please contact Norman Liang on my team at (628) 652-1621.

Enclosures:

1. Contract 1000025273 Original Agreement
2. Contract 1000025273 First Amendment
3. Contract 1000025273 Second Amendment
4. Contract 1000025273 Third Amendment
5. Contract 1000025273 Proposed Fourth Amendment
6. Contract 1000025273 Fourth Amendment Ethics Form 126(f)4
7. Contract 1000025273 Fourth Amendment Resolution