



**San Francisco Office of the City Administrator  
City Administrator Carmen Chu**

# **Biosolids and Grit Hauling Service**

*Contract ID 1000015461*

*File [220923](#)*

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Office of Contract Administration

Board of Supervisors' Budget and Finance Committee

September 21, 2022

# Contract Summary

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- Provides hauling services for 60,000 tons of biosolids, 4,000 tons of grit, and 600,000 gallons of primary treatment solids from PUC's Wastewater Treatment plants.
- Primary and secondary contracts awarded to Denali Water Solutions and S&S Trucking via competitive solicitation in April 2019:
  - Aggregate 1 is for the hauling of Biosolids and Grit.
  - Aggregate 2 comprises the hauling of untreated wastewater solids from Treasure Island.

# Contract Summary

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- Denali is the primary awardee and S&S the secondary awardee on Aggregate 1. S&S is the primary awardee and Denali is the secondary awardee on Aggregate 2.
  - Aggregate 1—Denali (Primary): Current NTE \$8.6M
  - Aggregate 1—S&S (Secondary): Current NTE \$2.5M
  - Aggregate 2—S&S (Primary): Current NTE \$1M
  - Aggregate 2—Denali (Secondary): Current NTE \$100K
- Pricing based on fixed unit pricing
  - A base price per load and a price per mile are combined for total price.
  - May be adjusted based on a change in (a) prevailing wage rate (b) diesel fuel index.
- Used exclusively by SFPUC Wastewater Enterprise

# Aggregate 1 Expenditures

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FY19-20 (9 months)	FY20-21	FY21-22	TOTAL SPEND
\$1.61 M	\$1.72 M	\$1.95 M	<b>\$5.28 M</b>

- Biosolids production dropped by more than 20% at the Southeast Treatment Plant during 2020 and remains much lower than pre-pandemic levels.
  - 9 months of service in FY19-20 was close to the same cost as 12 months of service in FY20-21.

# Aggregate 1 Expenditures

FY19-20 (9 months)	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27 (3 months)
\$1.61 M	\$1.72 M	\$1.95 M	\$2.73 M	\$3.09 M	\$3.30 M	\$3.46 M	\$0.89M

- Forecasting for future expenditures assumes a return to pre-pandemic biosolids production
- Contract costs will increase with fuel cost increases as well as any changes to prevailing wage rates for the hauling of solid waste

# Proposed Amendment

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- OCA requests approval of the resolution to amend the agreement for Aggregate 1 with Denali, based on actual and projected expenditures:
  - Increase by \$10,200,00 to \$18,800,000
  - Extend duration to total of seven years, through September 30, 2026

**Thank You**