



DATE: July 18, 2022
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and Purchaser
SUBJECT: Resolution to approve amendments to Term Contract 68382 – Biosolids and Grit Hauling Services

Enclosed is the resolution authorizing amendments to:

- (1) Contracts 1000015461 (with primary Contractor Denali Water Solutions) and 1000016008 (with secondary Contractor S&S Trucking) for the transporting of biosolids and grit from the Oceanside and Southeast wastewater treatment; and
- (2) Contracts 1000015462 (with primary Contractor S&S Trucking) and 1000015998 (with secondary Contractor Denali Water Solutions) for the staging and transportation of untreated wastewater solids from the Treasure Island wastewater treatment facility.

Background

The Waste Water Enterprise Division (WWE) of San Francisco Public Utilities Commission (SFPUC) manages three (3) facilities for the treatment of wastewater. Of these, the Oceanside and Southeast wastewater treatment facilities produce, on an annual basis, approximately:

- 60,000 tons of biosolids (nutrient rich solids produced during wastewater treatment) which are transported to four different locations for use as a fertilizer; and
- 4,000 tons of grit (sand removed from the wastewater before treatment) which are transported to a landfill.

Additionally, the Treasure Island wastewater treatment facility produces, on an annual basis, 600,000 gallons of primary treatment solids which are transported to the Oceanside wastewater treatment facility for further treatment.

The purpose of these contracts is to provide the hauling services required to transport these materials which consists of several thousand separate trips per year to five different counties.

Award History

These contracts were awarded pursuant to a low bid solicitation advertised on April 2, 2019 by the Office of Contract Administration (OCA) for the provision of biosolids and grit hauling services.

On September 26, 2019, OCA awarded Contracts 1000015461 (with primary Contractor Denali Water



Solutions) and 1000016008 (with secondary Contractor S&S Trucking) for the transporting of biosolids and grit from the Oceanside and Southeast wastewater treatment plants.

- Contract 1000015461 was awarded with a Not to Exceed (NTE) Amount of \$8,700,000 with an initial term of three (3) years commencing on October 1, 2019, with an option to renew for four (4) additional years. Amendment 1 to the contract decreased the NTE to \$8,600,000.
- Contract 1000016008 was awarded with a Not to Exceed (NTE) Amount of \$2,500,000 with an initial term of three (3) years commencing on October 1, 2019, with an option to renew for four (4) additional years.

On October 7, 2019, OCA awarded Contracts 1000015462 (with primary Contractor S&S Trucking) and 1000015998 (with secondary Contractor Denali Water Solutions) for the staging and transportation of untreated wastewater solids from the Treasure Island wastewater treatment facility.

- Contract 1000015462 was awarded with a Not to Exceed (NTE) Amount of \$250,000 with an initial term of three (3) years commencing on October 1, 2019, with an option to renew for four (4) additional years. Amendment 1 to the contract extended the end date to September 30, 2024 and increased the NTE to \$1,000,000.
- Contract 1000015998 was awarded with a Not to Exceed (NTE) Amount of \$500,000 with an initial term of three (3) years commencing on October 1, 2019, with an option to renew for four (4) additional years. Amendment 1 to the contract decreased the NTE to \$100,000.

The LBE participation requirement for each contract is 7%.

Amendments Summary

At this time, OCA, on behalf of SPUC, seeks to amend the above-referenced contracts as follows:

- Contract 1000015461 – Extend the contract term from September 30, 2022 to September 30, 2026 and increase the NTE amount by \$10,200,000 to \$18,800,000. The basis for the requested increase in NTE is as follows:

PS Contract ID	Awarded Supplier	Start Date	End Date	Current NTE	Remaining Balance (7/22/22)	Average Monthly Spend	Revised End Date	Projected Need to Revised End Date	Additional Funds Being Requested Based on Projected Need to Revised End Date Less



									Currently Available Balance
1000015461	Denali Water Solutions	10/1/2019	9/30/2022	\$8,600,000	\$2,609,062	\$166,415	9/30/2026	\$7,987,917	\$5,378,855

- Contract 1000015998 – Extend the contract term from September 30, 2022 to September 30, 2026 and increase the NTE amount by \$400,000 to \$500,000. The basis for the requested increase in NTE is as follows:

PS Contract ID	Awarded Supplier	Start Date	End Date	Current NTE	Remaining Balance (7/22/22)	Average Monthly Spend	Revised End Date	Projected Need to Revised End Date	Projected Need to Revised End Date Less Currently Available Balance
1000015998	Denali Water Solutions	10/1/2019	9/30/2022	\$100,000	\$22,500	\$2,153	9/30/2026	\$51,667	\$29,167

- Contract 1000015462 – Extend the contract term from September 30, 2024 through September 30, 2026 with no change to the NTE amount.

PS Contract ID	Awarded Supplier	Start Date	End Date	Current NTE	Remaining Balance (7/22/22)	Average Monthly Spend	Revised End Date	Projected Need to Revised End Date	Projected Need to Revised End Date Less Currently Available Balance
1000015462	S&S Trucking	10/1/2019	9/30/2024	\$1,000,000	\$572,802	\$11,867	9/30/2026	\$284,799	\$0

- Contract 1000016008 – Extend the contract term from September 30, 2022 through September 30, 2026 with no change to the NTE amount.

PS Contract ID	Awarded Supplier	Start Date	End Date	Current NTE	Remaining Balance (7/22/22)	Average Monthly Spend	Revised End Date	Projected Need to Revised End Date	Additional Funds Being Requested Based on Projected Need to



									Revised End Date Less Currently Available Balance
1000016008	S&S Trucking	10/1/2019	9/30/2022	\$2,500,000	\$2,500,000	\$0	9/30/2026	\$0	\$0

Justification:

Approval of these contracts is justified for several reasons, which are summarized below:

- (1) **Essential Service:** The transportation services provided by this contract are critical for the daily operation of the City’s wastewater treatment infrastructure. Not providing this service would have severe consequences for the treatment of the City’s wastewater and is not an option.
- (2) **Satisfactory Performance:** The department is satisfied with the performance of the contractors. The contractor staff are familiar with department procedures and load out equipment and the contractor dispatchers schedule and organize numerous truck trips daily to different destinations without issue. In the event of issues with destinations, the contractor dispatchers are experienced enough to modify destination plans based on previous instructions from the department.
- (3) **Pricing:** Extending the existing contract will be the best course of action if the City is seeking to keep costs for this service stable based on the awarded terms.

If you have any questions or require additional information, please contact Evan Magante on my team at 415-487-5267.