

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Greg Charr		2. Telephone No. 823-2491	3. Bureau/Office/Dept. Environmental Services
4a. To be filed (date): December 12, 2013	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: November 14, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title: Authorize a price agreement for Land Application Services with Madison Biosolids, Inc., for a 5-year total not to exceed \$3,500,000. (Procurement Report No. 115407)

2) Purpose of the Proposed Legislation: The purpose of this legislation is to authorize a price agreement for land application services. The price agreement will support the Bureau of Environmental Services (BES) to allow a continued efficient and cost effective process of year-round land application of the City's biosolids.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source. No change in revenue generation is anticipated.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

Land application services will be provided on a regular basis and billed as utilized per the price agreement. The services to be provided on an as-needed basis under the price agreement will be funded in the approved FY 13/14 BES budget, and funding for subsequent years will be included in the requested budget.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)* No
- **Will positions be created or eliminated in *future years* as a result of this legislation?**
No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item? None, as the services are limited to internal business operations.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved? The goods and services contracting community, including contractors certified with the State of Oregon as minority, women, and emerging small businesses. They became involved when the sole source procurement notification was posted on July 29, 2013.


c) How did public involvement shape the outcome of this Council item? Potential proposers were able to review the sole source procurement notification, ask questions and provide comments to the notification.

d) Who designed and implemented the public involvement related to this Council item? Procurement Services posted a sole source procurement notification identifying the services required and included contractors certified with the State as minority, women, and emerging small businesses.

e) Primary contact for more information on this public involvement process (name, title, phone, email): Jim Van Nest, Strategic Sourcing Program Coordinator, 503-823-5680, James.VanNest@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

There are formal regulatory requirements for public involvement for biosolids programs in Oregon. All biosolids management and land application plans in the state of Oregon are subject to public participation via Oregon Administrative Rule Chapter 340 Division 50 which requires public notice by Oregon DEQ during the National Pollutant Discharge Elimination System (NPDES) permit issuance or renewal process. Opportunity for public review and comment is provided during this process; the last public comment period for the City's biosolids management plan was in 2011. Public notification (i.e., neighbor notification by mail or door-to-door visits) by the permit holder is also required when land application sites are proposed for use. Public participation and public notice for the Madison Farms biosolids land application program have been completed by the City of Portland in accordance with these requirements.

	12/2/13
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Director, Bureau of Environmental Services



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Jack D. Graham, Chief Administrative Officer
Bryant Enge, Director, Bureau of Internal Business Services

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FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

DATE: November 14, 2013
TO: Mayor Charlie Hales
FROM: Christine Moody, Chief Procurement Officer

RE: Authorize a price agreement for Land Application Services with Madison Biosolids, Inc., for a 5-year total not to exceed \$3,500,000. (Procurement Report No. 115407)

1. **INTENDED THURSDAY FILING DATE:** December 12, 2013
2. **REQUESTED COUNCIL AGENDA DATE:** December 18, 2013
3. **CONTACT NAME & NUMBER:** Christine Moody x31095
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Yes** ☐ **No** ☐ **N/A**
6. **ONE (1) ORIGINAL OF CONTRACT "APPROVED AS TO FORM" BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☐ **No** ☒ **N/A**

7. BACKGROUND/ANALYSIS:

The Bureau of Environmental Services (BES) serves the Portland community by protecting public health, water quality, and the environment. The Bureau's Wastewater Group operates and maintains wastewater collection and treatment facilities, and ensures compliance with all applicable permits, regulations, and contracts. BES operates and maintains sanitary sewer and stormwater collection and treatment systems in a service area which covers approximately 92,000 acres. The City of Portland produces approximately 15,000 dry tons (75,000 wet tons) of biosolids per year at the Columbia Boulevard Wastewater Treatment Plant (CBWTP).

Having previously reviewed alternate options, the City has worked extensively with the Oregon DEQ over the last twenty-three years to permit the lands to receive biosolids. The City requires locations which have an Oregon Department of Environmental Quality (DEQ) issued site authorization letter thereby allowing biosolids dewatered at the CBWTP to be transported and land applied year-round at City leased property sites. Since 1990, the City has land-applied biosolids to lands owned by Madison Biosolids, Inc. These lands are located approximately 200 miles from Portland in north, central Oregon. The cost to authorize a similarly sized area today would be excessive and the permitting process would be lengthy; in addition to new DEQ permits, new land lease agreements and hauling contracts would need to be procured for any alternative option.

On July 29, 2013, the Chief Procurement Officer posted a sole source procurement notice for Land Application Services with Madison Biosolids, Inc. No comments, responses or protests were received. On November 20, Ordinance 186343 was passed by Portland City Council giving the Bureau of Environmental Services authorization to proceed with a sole source award to Madison Biosolids, Inc. for biosolids land application services.

Madison Biosolids, Inc., is located in Echo, Oregon and has a current City of Portland business license tax account, is in compliance with the Equal Benefits Program, and their EEO Certification is current through April 6, 2014. The Bureau's level of confidence in the cost estimates for this project is high as there is very good historical information showing purchases made for these types

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of services for the bureau.

Awarding a price agreement to Madison Biosolids, Inc., will allow the Bureau of Environmental Services to continue its efficient and cost effective process of year-round land application of the City's biosolids

Legal issues - none known

Controversial issues – none known

Citizen participation – none

Link to current city policies – none

Other governmental participation – none

8. FINANCIAL IMPACT:

The Bureau of Environmental Services anticipates the cost for this price agreement to be approximately \$3,500,000 for the initial five (5) year period. Funding will be available from adopted budgets each year.

9. RECOMMENDATION/ACTION REQUESTED:

Authorize a price agreement for Land Application Services with Madison Biosolids, Inc., for a 5-year total not to exceed \$3,500,000.