

February 12, 2016

Mr. David Billingsley, CPSM, CPM Chief Procurement Officer Procurement and Contracts Division CITY OF ORLANDO 400 South Orange Avenue Orlando, Florida 32801

RE: Water Conserv II WRF

Extension of Biosolids Contract:

Showcase of Citrus

The purpose of this letter is to request an extension for the Agreement with the Showcase of Citrus from April 01, 2016 until December 31, 2016. Several unique circumstances created the need to make this request. These circumstances are discussed in the following paragraphs.

The existing anaerobic digesters are more than 30 years old and are in dire need of urgent repairs and upgrades. A benefit-cost analysis was performed by the City's consultant to determine the best option for stabilization of biosolids in the future. The Schwing BioSet process was chosen as the most cost effective option and to replace the existing deteriorated anaerobic digesters.

The City entered into an agreement with Schwing BioSet during 2015 to permit and construct the necessary facilities for the biosolids stabilization process. The order for the process equipment was placed in the Fall of 2015 and currently is being manufactured by Schwing BioSet. Construction of facilities is scheduled to commence in Spring 2016. Following construction, Schwing BioSet will conduct a six month start-up and testing program. Installation and start-up is anticipated to conclude prior to the end of 2016.

The City currently has an agreement with the Showcase of Citrus to handle the stabilized biosolids from the Water Conserv II WRF. City staff transports the biosolids to the designated location for beneficial reuse. The Showcase of Citrus may either land spread the stabilized biosolids at a permitted application site or create a registered fertilizer product with the digested material at their biosolids management facility.

The current Agreement with the Showcase of Citrus expires on March 31, 2016. Under normal circumstances, the Purchasing and Materials Management Division would prepare and issue an RFP to secure the services of a Contractor going forward. Currently, few Contractors are hauling and handling biosolids for beneficial reuse. With an abbreviated term of nine months, few Contractors, if any, would submit bids to provide these services. Any bids that may be received would be excessively high.

The Showcase of Citrus has been very cooperative in working with the City for the past 30 years. In response to the extended wet weather conditions and the unavailability of application sites and biosolids management facilities, the Showcase of Citrus took the initiative on multiple occasions to provide alternative locations for the storage or handling of biosolids. The Showcase of Citrus extended these resources to help the City with the biosolids from the Iron Bridge Regional WRF.

John Arnold, Jr., President of Showcase of Citrus, has agreed during recent discussions to extend the current Agreement with the same terms and price, and to provide the same facilities for the beneficial reuse of biosolids from the Water Conserv II WRF. Mr. Arnold is willing to extend the Agreement as long as necessary for the City to complete the project at Water Conserv II.

On average, approximately 80 loads were hauled by City staff each month to the Showcase of Citrus facilities during 2015. The number of loads is anticipated to be about 775 during the term of the extension to the Agreement. The total budget cost will be \$400,000 for these services, which includes \$267,000 for the balance of FY 2016 and \$133,000 for FY 2017.

David, if you should have any questions or need additional information concerning this request to extend the Agreement for the Showcase of Citrus, please do not hesitate to contact me. Thank you for your cooperation and assistance in this matter.

Sincerely,

Victor J. Godlewski, P.E.

Paul K. Deml

Manager

Wastewater Division

cc: Diane Weatherington, Senior Purchasing Agent Paul K. Deuel, Assistant Manager, Wastewater Division Steve Shelnutt, Plant Manager, Water Conserv II WRF

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