



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

SUBMITTER: Logan Hickey **MEETING DATE:** 7/2/2025

AGENDA SECTION: Consent Agenda **DEPARTMENT:** Finance, WTP

TITLE OF ITEM: Waive Competition for Biosolid Sludge Transport and Disposal Services -
Logan Hickey, Adam Steurer, Garrett Demoss, Ricky Levi

SUGGESTED MOTION(S):

I move City Council adopt the *Resolution by the City of Hendersonville City Council to Authorize the Continued Use of Southern Logistics, Inc. for Biosolid Sludge Transport and Disposal Services*

SUMMARY:

The City of Hendersonville's Finance Department is submitting this request on behalf of the City's Water and Sewer Department. The City of Hendersonville's Water and Sewer Department owns and operates one water treatment facility and one wastewater treatment facility that combined currently produces approximately 6,500 wet tons of unclassified treatment solids residuals annually, however quantities produced fluctuate based on a variety of operational factors. The City outsources the transport and disposal of these water and wastewater treatment solid residuals. For Fiscal Year 2025-2026, the City estimates a total expenditure of \$750,000.00 on these services.

North Carolina state law does not require competitive bidding for services such as this. Sections 5.F.1 and Sections 5.F.2 of the City's Purchasing Policy Manual require competitive solicitations for professional and non-professional services totaling \$50,000.00 or greater that do not pertain to N.C.G.S. § 143 64.31 and N.C.G.S. § 143 64.32. Per the policy, an exception to these requirements may be granted with the prior written approval of the City's Finance Director and City Manager. This letter serves as a justification for waiving competition for these services.

The City's Water and Sewer Department has elected to waive competition and to continue to utilize Southern Logistics, Inc. for these transport and disposal services. The City has identified the following reasons for the need to utilize Southern Logistics, Inc. for these services:

- Southern Logistics has successfully provided these services to the City for many years coordinating and managing multiple landfills and hauling companies. Based on historical volatility and the rejection of the material due to high water content, the valuable relationships maintained by Southern Logistics with the limited number of landfill owners in western North Carolina reduces City risk.
- The Wastewater Treatment Facility Thermal Dryer Project will produce a Class A Biosolid that can be beneficially reused in agriculture resulting in more outlets instead of landfilling for the material. The thermal dryer will also reduce the mass of material produced by approximately 82

percent. The dryer will be operational by fall 2026. Once operational, the need for these hauling and disposal services will be substantially diminished or eliminated.

- The proposed Thermal Dryer will be constructed within the existing covered drying shed, which substantially reduces storage capacity during construction. Changing vendors for a relatively short time until completion of the thermal dryer project has risks associated with the potential lack of continuity of services.
- The capital cost of the Biosolids Thermal Dryer is \$17.7 million, funded by a \$14.5 million state direct appropriation grant and \$3.2 million revenue bond. After implementation on the new dryer, the utility estimates operational saving of \$285,000 annually in the first year (including debt service costs).
- The utility plans to solicit a separate solids management contractor for water treatment facility residuals once the dryer is operational.

The signatures from the City's Utilities Director, Finance Director, and City Manager on the attached letter represent their formal written approval for this waiving of competition for these services in the current fiscal year. Since the total exceeds \$499,999.00 (the City Manager's dollar delegation), we are formally requesting Council's approval on this request.

BUDGET IMPACT: \$750,000.00

Is this expenditure approved in the current fiscal year budget? Yes

ATTACHMENTS:

Resolution

Letter of Internal Approval