

**ORDINANCE NO. 1647**

**AN ORDINANCE ADOPTING FINDINGS TO SUPPORT AN EXEMPTION FROM THE FORMAL SELECTION PROCESS FOR A CONTRACT FOR SLUDGE HAULING SERVICES, DECLARING SUCH EXEMPTION, AND AUTHORIZING DIRECT AWARD OF A CONTRACT TO HEARD FARMS, INC.**

**WHEREAS**, the City of Canby ("City") City Council ("Council") is the Local Contract Review Board of the City;

**WHEREAS**, the City has adopted its own local contracting rules entitled "City of Canby Administrative Policy: Contracting and Procurement";

**WHEREAS**, ORS 279B.085(4) and the City's local contracting rules, Section VII(1)(A), authorizes the Canby Local Contract Review Board to exempt certain contracts from the competitive proposal or bidding procurement requirements of ORS 279B upon approval of certain findings of fact;

**WHEREAS**, the City's Local Contract Review Board has determined that directly awarding the contract to Heard Farms, Inc. for general sludge hauling services, will be most beneficial to the City, is unlikely to encourage favoritism, and is likely to result in substantial cost savings and other benefits, based on the findings attached as Exhibit A;

**WHEREAS**, pursuant to ORS 279B.085(5) the City published notice of the proposed exemption in the Canby Herald not less than 7 days prior to the date on which the City Council intends to take action to approve the exemption;

**WHEREAS**, the City held a public hearing to allow comments on the Local Contract Review Board's draft findings on May 21, 2025; and

**WHEREAS**, after due deliberation, the City Council, sitting as the Local Contract Review Board, hereby adopts the findings in support of direct award of the contract for general sludge hauling services by Heard Farms, Inc., as set forth in Exhibit A.


**NOW THEREFORE, THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:**

Section 1. Exemption Approval. The City Council hereby adopts findings supporting an exemption for the sludge hauling services contract with a five year term, declares such an exemption, and authorizes a direct award of the contract to Heard Farms, Inc. The findings are attached to this Ordinance as Exhibit A. Further, the City Council hereby authorizes future Council approval of an amendment to this contract by voice vote or resolution.

Section 2. Severability. If any provision, section, phrase, or word of this Ordinance or its application to any person, or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.


Section 3.      Effective Date. This Ordinance shall take effect on July 4, 2025.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting on May 21, 2025, ordered posted as required by the Canby City Charter, and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on June 4, 2025, commencing at the of hour of 7:00 pm in the Council Chambers located at 222 NE 2<sup>nd</sup> Ave, 1<sup>st</sup> Floor, Canby, Oregon.

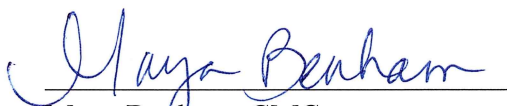
  
Maya Benham, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 4<sup>th</sup> day of June, 2025 by the following vote:

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Brian Hodson, Mayor

ATTEST:

  
Maya Benham, CMC  
City Recorder

## Ordinance No. 1647 Exhibit A

### Findings in Support of Direct Award of a Contract for Sludge Hauling Services

Oregon law requires all service projects (both personal and general) to be procured by competitive bid or proposal, unless otherwise stated in local rules and unless an exemption is granted by the City of Canby (the “City”) Local Contract Review Board. One such exemption permits the City to award a service contract without competition if such award (1) is unlikely to encourage favoritism and (2) is reasonably expected to result in substantial cost savings. ORS 279B.085(4). This document demonstrates that Heard Farms, Inc. (“Heard” or “Heard Farms”) is uniquely qualified to provide on-going sludge hauling services for the City, such provision of services does not encourage favoritism, and results in substantial cost savings.

#### **Nature of the Project:**

For the past 13 years, the City has partnered with Heard for the hauling, further treatment, and Class B land application of biosolids generated at the City’s wastewater treatment plant. This long-standing partnership has provided a reliable, cost-effective, and environmentally responsible alternative to landfill disposal. Heard transports partially treated solids to its facility in Roseburg, where they are processed and beneficially reused as a soil amendment in accordance with all applicable regulations. Given the lack of other qualified providers in the region and Heard’s familiarity with the City’s operations and regulatory requirements, staff seeks to continue this successful partnership through a multi-year contract structure with annual budget approval by the City Council.

To secure long-term service stability, while maintaining flexibility through annual pricing updates, staff seeks to enter into a five-year agreement with Heard, for biosolids management services. The agreement shall provide for the annual transport and beneficial reuse of biosolids at Heard’s Roseburg facility, where the material is further treated and applied to land as a soil amendment in accordance with all applicable federal and state regulations. The contract shall be subject to an annual budget review and update, conducted jointly between the City and Heard, with the annual not-to-exceed contract amount established for each fiscal year. The revised annual NTE amount shall be presented to the City Council for review and approval as part of the City’s annual budget process.

#### **Public Notice:**

As required by ORS 279B.085(5) the City published notice for interested parties in the May 14, 2025 edition of the Canby Herald.

#### **Findings**

1. Direct appointment is unlikely to encourage favoritism.

The direct award of the biosolids management contract to Heard Farms is due to the absence of other qualified providers in the region. The City is not aware of any other company offering sludge hauling services in the area, and the only alternative is landfill disposal, which is more costly and environmentally burdensome. Heard Farms offers a proven, sustainable solution through land application, and is familiar with the City’s operational needs. A formal procurement would cost approximately \$5,000 with little likelihood of receiving competitive or responsive bids. A direct award ensures continuity of service, cost savings, and alignment with the City’s environmental and financial priorities.

2. Direct appointment is reasonably expected to result in substantial cost savings for the City.

Heard Farms has previously provided reliable and professional biosolids hauling services to the City. Continuing this successful partnership and directly awarding the contract allows the City to avoid the time and cost associated with a formal request for proposals, an effort that is unlikely to yield alternative qualified bidders. Further, contracting for sludge hauling services rather than landfill disposal saves the City money while also offering a more environmentally conscious approach. Executing a multi-year agreement with an annually established budget provides both fiscal oversight and operational continuity. This approach also avoids the additional expense and inefficiency of onboarding a new provider unfamiliar with the City's treatment processes and site-specific requirements.

Conclusion

Based on the above findings, it is therefore recommended that the City award a personal service agreement without competition to Heard, in connection with the provision of certain sludge hauling services.

***End of Findings***