



MEMORANDUM

To: Mayor and Council

From: Jane Burazer, Assistant Director, Austin Water *Burazer*

Date: June 22, 2015

Subject: Contract for Cutting and Bailing Hay and Harvest of Pecans—Response to Questions

Item 7 on the Special Called Meeting for City Council for Tuesday, June 23, 2015, to authorize the award and execution of a 60-month revenue contract with ALLEN CLICK to provide the cutting, bailing and sale of hay, and the harvest and sale of pecans for Austin Water for an estimated revenue of \$305,000, with one 60-month extension option with an estimated revenue of \$305,000, for a total estimated revenue amount of \$610,000. This item was pulled from the Council Agenda on Thursday, June 18, 2015. This memo is to respond to questions received concerning this item.

QUESTION: It seems odd to us that only 1 bid was received and that for this bid, we are offer a 5 year contract with an optional 5 year extension.

RESPONSE:

This was put out as a competitive bid and only one bid was received. The 5 years was based on the time that it will take for a farmer to improve the hay fields. The fields are currently full of weeds and do not produce high quality hay. It will take several years more for the fields to be able to produce high quality hay. Farmers need a time commitment from the City to make the needed improvements. It will take 5 to 7 years to get the needed improvements.

QUESTION: Who held this contract before and what were the terms (# of years and amount of money/year)?

RESPONSE:

Allen Click is the current farmer. We have had Rachel Faykus and Melvin Poltrak before. Allen has won the contract for the past several years. Austin Water has had numerous contracts over the past several years that ranged from as little as 60 days (single cuts) to an entire calendar year. Revenues have ranged from approximately \$15,000 to \$30,000 per year.

QUESTION: How many pounds of pecans have been harvested and what did they sell for each of the past 5 years?

RESPONSE:

Pecans have not been harvested for over 5 years.

QUESTION: How many pecan trees and what variety?

RESPONSE:

There are about 90 Texas Native Pecan Trees. This is the small hard to crack pecan. Not extremely valuable.

QUESTION: Is it approximately 10 acres of pecan trees?

RESPONSE:

Yes, it is approximately 10 acres of Pecan Trees.

QUESTION: How many bales of hay were harvested and what did they sell for in each of the past 5 years?

RESPONSE:

Sorry, but we did not track bales of hay harvested. Not all bales are sold. Some are used by the farmer. Tracking is included in this new contract.

The hay is an integral part of the site management. Austin Water land applies biosolids on the land as well as irrigates with the non-potable water produced in the process. The hay takes up the nutrients which allows for more land application and irrigation. The main purpose of the contracts was to get the hay mowed and bailed to allow a new crop of hay to grow. Contracting this allows Austin Water to avoid costs for manpower, and equipment. Not only do we avoid costs, we bring a little extra revenue in.

QUESTION: Is it approximately 540 acres of hay?

RESPONSE:

Yes, this is for approximately 540 acres of hay fields. Of these 540 acres only about 125 acres are irrigated. The rest of the fields receive water when it rains. This is one reason it takes so many years to improve the fields.

Should you have any questions or comments, please do not hesitate to contact me.

cc: Marc Ott, City Manager
Robert Goode P.E., Assistant City Manager