

[From May 2010 email]

Prepared by Tom **McMurtrie**

Staff Response:

We sincerely apologize for the inconvenience that this is causing you.

Regarding the material being sold in bulk, it is correct that we had been selling the product for \$2.75 per cubic yard for anyone that bought over 25 cubic yards. The reason we did this is because last year we had approximately 15,000 cubic yards of finished material last year that was not selling. The Michigan Department of Environmental Quality was enforcing new rules that limited the amount of **compost** material that could sit on a site. We also needed the space on our **compost** site for incoming material. For these reasons, and the fact that finished **compost** loses its nutrient value over time, we were interested in selling this substantial backlog of materials.

In an effort to gauge the wholesale market for this material, the city issued an invitation to bid in 2009 requesting pricing for 1,000 cubic yards or more. This bid was sent to approximately 100 landscape suppliers in the area. Two bids were received: One at 50 cents per cubic yard, and the other at \$2.75 per cubic yard, for 1,000 cubic yards. The City decided to reject the 50 cents per cubic yard bid, and price the bulk purchases at \$2.75 per cubic yard.

Normally, a small amount of **compost** would be retained for small quantity sales such as to homeowners. Due to operational error, that small set aside was not retained. Changes in operations are being reviewed to prevent that from happening again.

The City does have approximately 12,000 cubic yards of material that has been actively composted since last fall. That material should be available in late August or early September.

Again, we apologize for the inconvenience.