

MEMORANDUM

DATE: January 7, 2014

TO: City Council

THROUGH: City Manager Judie Zimomra

FROM: Public Works Director Keith Williams

RE: Disposal of Wastewater Sludge

RECOMMENDATION: Award three year contract with optional two one-year extensions to Karle Enviro-Organic Recycling Inc. for hauling and disposal of wastewater sludge and authorize the City Manager to execute the contract.

The City's Donax Water Reclamation Facility generates approximately 3,400 gallons of liquid sludge per day (1.24 million gallons per year). Sludge generated at the Donax facility is stabilized via aerobic digestion, thickened by rotary drum thickeners, and transported off-island in tanker trucks for further processing and disposal.

An advertisement for bids to perform the sludge hauling services was placed in the October 14, 2013 edition of the Fort Myers News Press. In response to the ad, three bids were received which were opened and read aloud on November 7, 2013 in the presence of Krish Alexander from Karle Enviro-Organic Inc., Josh Holler from the City of Sanibel and Keith Williams from the City of Sanibel. As per the attached bid tabulation, Karle Enviro-Organic Recycling, Inc. submitted the low bid with pricing of \$88.10, \$93.10 and \$98.10 per 1,000 gallons for the first, second and third years of the contract respectively. This pricing reflects no increase for the first year over the existing contract pricing, then followed by increases of less than 6% for the following years. The terms of the proposed contract also include two one-year voluntary extensions for consideration by the City upon the expiration of the initial three years.

Staff recommends that City Council award a three year, with two one-year optional extensions, wastewater sludge hauling contract to Karle Enviro-Organic Recycling, Inc. and authorize the City Manager to execute the contract. The value of the first year of the contract is estimated at \$109,000, while the Utility Division FY14 budget includes \$120,000 for this service.

cc: Finance Director Sylvia Edwards
City Attorney Ken Cuyler

CONTRACT

THIS CONTRACT, made this day _____ of _____, 2014 by and between the CITY OF SANIBEL, FLORIDA, a Florida municipal corporation, hereinafter called the "CITY" and Karle Enviro – Organic Recycling, Inc, a Florida corporation, hereinafter called "CONTRACTOR",

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will provide services for the proper collection, transport and proper disposal of domestic wastewater treatment residuals (Sludge) in full compliance with the applicable provisions of the Florida Administrative Codes and Code of Federal Regulations as defined in the current operating permit issued by the Florida Department of Environmental Protection. Collection shall be from the CITY'S Donax Water Reclamation Facility located at 930 Donax Street, Sanibel, FL 33957.

2. The CONTRACTOR will furnish all of the material, supplies, tools, equipment, labor and other services necessary for the completion of the services described herein.

3. The CONTRACTOR will commence the work required within 10 calendar days after the date of the NOTICE TO PROCEED. This Contract, fully executed, will serve as Notice to Proceed.

4. The CONTRACTOR agrees to charge and the CITY shall pay for such services, at the rate of \$88.10 per 1,000 gallons of sludge the first year, \$93.10 per 1,000 gallons of sludge for year two, and \$98.10 per 1,000 gallons of sludge for year three.

5. The scope of this CONTRACT will be for the hauling and disposal of a minimum of 400,000 gallons of sludge.

6. Payments by CITY to CONTRACTOR, for services provided under this Contract, shall be made according to the Sanibel Prompt Payment Policy, Sec. 2-306 Sanibel Code.

7. No deviation from the CONTRACT Documents will be allowed, honored or compensated unless accompanied by a fully executed change order.

8. INDEMNIFICATION AND HOLD HARMLESS

CONTRACTOR agrees to indemnify and hold the CITY, its agents, employees and officials, harmless from and against legal liability for all judgments, losses, damages, and expenses to the extent such judgments, losses, damages, or expenses are caused by the CONTRACTOR'S negligent acts, errors, or omissions arising out of CONTRACTOR'S performance of, or in any way connected with, CONTRACTOR'S services as set forth in this Contract. Upon completion of all services, obligations, and duties provided for in this Contract, or if this Contract is terminated for any reason, the terms and conditions of this section shall survive. The first \$10.00 paid under the terms of this Contract shall constitute consideration for the indemnity and hold harmless provision, such consideration acknowledged by CONTRACTOR to be sufficient.

9. INSURANCE

During the performance of the services under this Contract, CONTRACTOR shall maintain the following insurance:

Comprehensive General Liability Insurance for all operations including, but not limited to, contractual, products and completed operations, and personal injury. The limits shall be not less than \$1,000,000 Combined Single Limits (CSL) or its equivalent.

Comprehensive Automobile Liability Insurance for all owned and non-owned vehicles for limits of not less than \$500,000 Combined Single Limits (CSL) or its equivalent.

Workers' Compensation Insurance for all employees at the work location and, if subcontracted, subcontractor to provide Worker's Compensation for all its employees. The limits shall be in accordance with statutory requirements and Employers' Liability Insurance, and \$1,000,000 for Employers Liability.

CITY shall be provided Certificates of Insurance prior to commencing operations under this Contract as verification of such coverage. The insurance shall contain a provision which forbids any changes or material alterations in the coverage without providing thirty (30) days prior written notice to the CITY. The City shall further be added as an additional insured.

10. TERM AND RENEWAL

This Contract is for a Three-Year period from January 7, 2014, for a single specified service, specifically the Wastewater Residuals Disposal and Wastewater Hauling Services, for the removal of a minimum of 400,000 gallons of sludge in accordance with the terms of this Contract and the direction of the City. This Contract may be renewed for two additional one-year extensions at the sole option of the City (through notice sent in writing by the Public Works Director at least thirty (30) days prior to the expiration of the prior term), with written concurrence of CONTRACTOR, under substantially the same terms and specifications contained in this Contract provided, however, the Contract price for optional years four and five may be increased by a maximum 6% above the previous year's contract price. This Contract shall terminate either upon CONTRACTOR'S completion of such services, or shall otherwise terminate in accordance with the provisions of this Contract.

11. TERMINATION FOR CAUSE

The obligation to provide further services under this Contract may be terminated by either party upon three days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

12. TERMINATION WITHOUT CAUSE

The CITY may cancel this Contract, with or without cause, upon at least five days prior written notice to the other party. In the event of such termination, CONTRACTOR shall be paid for all sludge removed in accordance with the terms of this Contract at the rate set forth in Paragraph 4 of this Contract.

13. This Contract shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

14. PUBLIC RECORDS

Unless specifically exempted by Florida law, in whole or in part, contractor shall comply with the requirements of Section 119.0701, Florida Statutes, which requires a City contractor, as defined therein, to comply with public records laws, and specifically to:

- (a) Keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service.
- (b) Provide the public with access to public records on the same terms and conditions that the public agency would provide the records and at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- (d) Meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the public agency in a format that is compatible with the information technology systems of the public agency.

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IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Contract in counterparts each of which shall be deemed an original on the date first above written.

(SEAL)

CITY:
CITY OF SANIBEL

By: _____
Judith A. Zimomra
City Manager

ATTEST:

Pamela Smith, City Clerk

CONTRACTOR:

By: _____

Name: _____

Title: _____

Email: _____

APPROVED AS TO FORM:

Kenneth B. Cuyler
Kenneth B. Cuyler, City Attorney

Date: 12/18/13

Sylvia A. Edwards
APPROVED FINANCIAL SUFFICIENCY
Sylvia A. Edwards, Finance Director

**CITY OF SANIBEL
BID RESULTS**

Wastewater Residuals Disposal and Wastewater Hauling Services

November 7, 2013 @ 2:30PM

No.	Name	Cost per 1,000 Gallons (wet) Year 1	Cost per 1,000 Gallons (wet) Year 2	Cost per 1,000 Gallons (wet) Year 3	Addendum
1	Karle Enviro – Organic Recycling, Inc.	\$ 88.10	\$ 93.10	\$ 98.10	None
2	T. Wayne Hill Trucking, Inc.	\$ 145.00	\$ 152.00	\$ 160.00	None
3	Synagro South, LLC	No Bid	No Bid	No Bid	None
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