

**CITY OF TAMARAC
INTEROFFICE MEMORANDUM
PUBLIC SERVICES DEPARTMENT**

TO: Michael C. Cernech, City
Manager

DATE: September 7, 2018

THROUGH: Jack Strain, P.E.,
Director of Public Services

FROM: Anthony Licata, Water
Treatment Plant Superintendent

RE: TR #13164 - Lime Sludge
Removal, Hauling and Disposal
Renewal – September 26, 2018
Commission Meeting

RECOMMENDATION:

I recommend that the City Commission approve Amendment No. 1 to the Agreement with Westwind Contracting, Inc. for Lime Sludge Removal, Hauling, and Disposal, utilizing the pricing per Bid No. 16-25B, in an amount not to exceed the approved annual budget for said purpose, and authorize the appropriate City Officials to execute said Amendment; and that this item be placed on the September 26, 2018 Commission Agenda.

ISSUE:

To approve Amendment No. 1 to the Agreement with Westwind Contracting, Inc. for Lime Sludge Removal, Hauling, and Disposal, utilizing the pricing per Bid No. 16-25B, in an amount not to exceed the approved annual budget for said purpose, and authorize the appropriate City Officials to execute said Amendment;

BACKGROUND:

Lime sludge is a by-product of the water treatment process and must be removed, hauled and disposed of from the City's Water Treatment Plant.

The City has maintained an agreement for lime sludge hauling for many years, as sludge accumulates in the existing pond located at the Water Treatment Plant, on a fairly regular basis. The current Agreement was awarded by City Commission via Resolution No. R-2016-99, dated September 14, 2016.

Dumping locations for lime sludge are becoming ever more difficult to locate, and as a result, the City of Tamarac established an agreement providing for an initial term of two (2) years, and two (2) additional two-year terms. This proposed Amendment authorized the first of two (2) two-year renewals.

In order to accommodate the possible increased disposal costs for this type of waste product, the City of Tamarac has included a price escalation / de-escalation clause,

which will allow for documented pass-through cost increases or decreases at six-month intervals, but will not allow for any increases to the vendor's profit margin.

The vendor has recently informed the City of Tamarac, that the current disposal site has an estimated 12 to 16 months capacity left; however, the vendor is actively seeking new disposal sites. Therefore, the City must be ready to accommodate a change in the disposal site, disposal cost, etc. Therefore, a "Termination Due to Exhausted Capacity" Clause has been added in the event the vendor is unable to secure a new disposal location, in addition to a Termination for Convenience with a 90-day notice.

FISCAL IMPACT:

The expense for the contract award is budgeted in Account No. 425-6020-533-4311 entitled, "Sludge Removal". The amount budgeted for Fiscal Year 2018 Adopted Budget is \$110,500.00. The actual amount spent, to date for FY 2018, is \$53,750.00; in FY 2017, the total cost for sludge disposal was approximately \$51,000.00 and in FY 2016, it was approximately \$80,200.00.