

**Indian River County, Florida
Department of Utility Services
Board Memorandum**

Date: November 6, 2019

To: Jason E. Brown, County Administrator

From: Vincent Burke, PE, Director of Utility Services
Cindy Corrente, Utility Finance Manager

Through: Jennifer Hyde, Purchasing Manager

Prepared By: Terry Southard, Operations Manager, Utility Services
Rich Meckes, Wastewater Superintendent

Subject: Synagro Dewatering and Sewage Sludge Removal Contract Renewal and Price Increase

Background/Analysis:

The purpose of this agenda is three-fold. First, it is to seek the Indian River County Board of County Commissioners (BCC) approval for the second 12-month extension with Synagro, in accordance with Bid Number 2016018. Second, it is to seek BCC approval for a Synagro-requested rate increase, effective January 2020. Third, staff recommends the BCC authorize the Purchasing Manager to process a change order on Purchase Order 84540 to Synagro for hauling to increase it by \$11,000. This is to cover the difference between the current encumbered amount of \$420,000 and the projected amount of \$430,570.01 (rounded up to \$431,000).

On March 1, 2016, the BCC approved the award for Bid Number 2016018 to Synagro for the operations of the Residual Dewatering Facility and sewage sludge removal. Indian River County Department of Utility Services (IRCDUS) has contracted with Synagro for residual dewatering and sewage sludge removal since 2005.

Article 7 of the agreement states that the contract period is binding for three consecutive years from the date of the agreement with an additional two 12-month terms. The first 12-month extension expires February 29, 2020. The second extension would expire on February 28, 2021. The terms of the contract allows for modification of pricing upon mutual agreement of both parties.

In a letter dated October 30, 2019, Synagro requested a price adjustment of 1.33%, effective January 2020. The new rates are reflected in the table below.

<i>Service</i>	<i>Current Price</i>	<i>Recommended Price</i>	<i>Actual Cost Mar.-Sept. 2019</i>	<i>Projected Cost Oct.-Dec. 2019</i>	<i>Projected Cost Jan. - Sept. 2020</i>	<i>Projected Annual Total</i>
Sludge Hauling Per gallon	\$0.0279	\$0.0283	\$241,872.43	\$103,659.61	\$326,910.40	\$430,570.01
Sludge Dewatering Per ton	\$208.08	\$210.85	\$199,119.09	\$85,336.75	\$250,301.30	\$335,638.05

Funding:

Funds for this project are derived from the Utilities operating fund. Utilities operating funds are generated from water and sewer sales. Funds have been encumbered to cover the projected annual totals.

Description	Account Number	Total Amount
218 Sewage Sludge Removal	47121836-044730	\$430,570.01
257 Other Professional Services	47125736-033190	\$335,638.05

Recommendation:

The staff of Indian River County Department of Utility Services recommends that the Board of County Commissioners (BCC) approve the renewal of the contract with Synagro for the second 12-month term, approve the 1.33% price increase effective January 1, 2020, and authorize the Chairman to execute the sample extension after approval by the County Attorney as to form and legal sufficiency. Staff also recommends the BCC authorize the Purchasing Manager to process a change order on Purchase Order 84540 to Synagro in regard to hauling for an increase of \$11,000 in order to cover the difference between the current encumbered amount of \$420,000 and the projected amount of \$430,570.01 (rounded up to \$431,000).

Attachment:

Sample Extension