



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#13-0787

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: June 18, 2013

TITLE: Motion to approve a rate increase for the disposal of sludge – Contract
495-10231 - \$145,833.33

Recommendation

It is recommended that the City Commission approve a rate increase to H&H Liquid Sludge Disposal, Inc., (H&H) for the disposal of sludge from the G.T. Lohmeyer Wastewater Treatment Plant (GTL) for a total expenditure of \$145,833.33. Fiscal Year 2014 expenditures are contingent upon approval and appropriation of funds.

Background

On May 19, 2009, Item PUR-04, the City Commission approved a three year contract for sludge disposal with H&H. On July 10, 2012, Item M-26, the City Commission approved a one year extension of this contract. The contract allows two methods for disposal, either disposing the sludge to the Waste Management (WM) landfill in Pompano Beach, or trucking the sludge to permitted Residuals Management Facility (RMF) in Clewiston, Florida, where the sludge is processed further resulting in a product that later is reused as a fertilizer by-product.

On April 26, 2013, Waste Management announced to H&H, an increase of 51% to the tipping fees for sludge disposal from \$29.50 per ton to \$45.00 per ton effective June 1, 2013.

Approximately six truckloads of sludge are hauled away from GTL each day. Due to the non-negotiable increase in the tipping fees by WM, and to alleviate the proposed cost impact to the City, H&H will commit to trucking and processing approximately 60% of the sludge to the RMF, requiring only two truckloads of sludge to be disposed of at the WM landfill. Please note, RMF is not equipped to process six truckload of GTL sludge per day.

The increase in tipping fees was unforeseen by the contractor and the City when this contract was created. Section 5.16 of the General Conditions of the contract entitled Unusual Circumstances, allows for an adjustment in the price if the circumstances are unforeseen by either party and beyond control of the Contractor. The Contractor, H&H, Inc., has provided sufficient documentation to the City reflecting the increase in cost.

The current contract expires in December 2013 with one extension remaining. However, staff will begin the process of rebidding this contract with an emphasis on seeking proposals which incorporate a beneficial reuse of the sludge.

Staff recommends that the City Commission approve the rate increase requested by the Contractor for two of the six daily loads of sludge that is removed from GTL.

Resource Impact

There will be a fiscal impact to the City in the amount of \$145,833.33. Fiscal year 2014 expenditures are contingent upon approval and appropriation of funds.

FUNDS AVAILABILTY LOCATION:

FY	FUND	SUB FUND	FUND NAME	INDEX #	INDEX NAME	SUB OBJ #	SUBOBJECT NAME	AMOUNT
2013	451	01	Central Regional Wastewater System	PBS670503	Lohmeyer Regional Plant Operations	3252	Sludge Disposal	\$83,333.34
2014	451	01	Central Regional Wastewater System	PBS670503	Lohmeyer Regional Plant Operations	3252	Sludge Disposal	\$62,499.99
TOTAL								\$145,833.33

Attachment

Exhibit 1 – Vendor Letters

Prepared by: Robert McKenney, Procurement Specialist II
Carrie Keohane, Administrative Assistant I

Department Director: Hardeep Anand, P.E., Public Works