

From: Adam Gregory

Sent: Thursday, June 15, 2017 2:57 PM

To: Wirtanen, Sandy <Sandy.Wirtanen@austintexas.gov>; Scott, Lori <Lori.Scott@austintexas.gov>

Cc: Ryan Hobbs <rhobbs@texasdisposal.com>; Stefanie Quimby <SQuimby@texasdisposal.com>; Rick Fraumann <rfraumann@texasdisposal.com>

Subject: RE: Addendum to Contract for Central Business District

Sandy and Lori,

Pursuant to our discussion on May 5, 2017, TDS is providing you with our proposed resolution to the ongoing issue of excess liquids contained in the waste and recyclables collected in the Central Business District.

As we have expressed numerous times throughout the term of this contract, TDS has determined that the excess liquids constitute a hazardous material due to the serious public safety risk they will cause without significant management and prevention methods beyond what is required in the contract. Implementing these management and prevention methods has been absolutely imperative, and TDS must be able to recover the cost of doing so. Please see the attached communications between TDS and the City on this issue for more detail.

TDS proposes to include the attached contract revisions in the pending contract extension amendment. These revisions are intended to accomplish the following:

- **Remove the requirement of dedicated routes.** Allowing for the commingling of non-CBD material with CBD material will likely mitigate the problem caused by excess liquids. Non-CBD material is much less likely to contain excess liquids and will therefore reduce the concentration of excess liquid containing material within individual loads. This will also provide for a reduction in cost that will contribute to our recovery of costs over the remaining life of the contract. We have proposed to run a periodic dedicated route for purposes of CBD specific data collection.
- **Provide a 3.2% rate increase.** This increase is necessary to recover the remainder of our costs that are not recovered through the savings from removing the dedicated routes.
- **Exercise all extension options.** Our calculations for recovery of our already incurred costs, including future cost savings and rate increase revenue, require all three of the extension options if we are to gradually recover these costs through operational savings and the modest rate increase requested.
- **Allow for billing and payment of future excess liquids management costs if necessary.** The proposed operational savings and rate increase are only sufficient to recover the costs already incurred by TDS. We believe that the removal of dedicated routes will prevent the excess liquids in the CBD material from causing a public safety issue, however if it is necessary for TDS to incur more of these costs in the future, it will be necessary to bill the City for those costs.
- **Allow the Organics Pilot Program.** We've proposed language that will allow TDS and the City to agree on pricing for the organics pilot service that is specific to the number of containers and collection frequency that is chosen by the City.

We believe these revisions are reasonable and appropriate, and we appreciate your consideration. Hopefully we can finalize these revisions and execute the extension as soon as is possible. Please let us know when you would like to meet to discuss further.

Sincerely,
Adam Gregory
Texas Disposal Systems

From: Wirtanen, Sandy [<mailto:Sandy.Wirtanen@austintexas.gov>]
Sent: Monday, June 12, 2017 9:57 AM
To: Rick Fraumann <rfraumann@texasdisposal.com>
Cc: Adam Gregory <agregory@texasdisposal.com>; Ryan Hobbs <rhobbs@texasdisposal.com>; Ryan Beard <rbeard@texasdisposal.com>; Stefanie Quimby <SQuimby@texasdisposal.com>
Subject: RE: Addendum to Contract for Central Business District

We are quickly approaching the end of this extension period, and I haven't seen an email we had discussed that detailed the suggestions from TDS that would enable the contract to continue. Has this been sent? Is there a date we might expect it?

Thanks,

Sandy

From: Rick Fraumann [<mailto:rfraumann@texasdisposal.com>]
Sent: Thursday, May 11, 2017 5:33 PM
To: Wirtanen, Sandy <Sandy.Wirtanen@austintexas.gov>
Cc: Adam Gregory <agregory@texasdisposal.com>; Ryan Hobbs <rhobbs@texasdisposal.com>; Ryan Beard <rbeard@texasdisposal.com>; Stefanie Quimby <SQuimby@texasdisposal.com>
Subject: Addendum to Contract for Central Business District

Sandy,

Please see the signed addendum. Please call if you have any questions.

Thanks,
Rick Fraumann
Texas Disposal Systems
512 797-9598

Rick Fraumann
Texas Disposal Systems
www.texasdisposal.com
Office: 1 (512) 421-1324
Mobile: 1 (512) 797-9598



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Amendment No. 42
Of
Contract No. NA140000089
For
Trash and Recycling Collection and Hauling Services
within the Downtown Central Business District of Austin, TX
Between
Texas Disposal Systems, Inc.
And
City of Austin

1.0 The City and Contractor hereby ~~amends~~ and ~~exercises~~ the first extension option for the subject contract from ~~12 months to 52 days. This extension option will be effective May 5, 2017 to June 30, 2017 to May 5, 2020. The remainder of the first option period may be added back upon mutual agreement between the City and the Contractor. Two 12 months options still remain.~~

2.0 The total contract amount is unchanged for this extension period. The total Contract authorization is recapped below:

Term	Action Amount	Total Contract Amount
Basic Term: 05/04/2014 – 05/05/2017	\$6,234,879.00	\$6,234,879.00
Amendment No. 42 : Options <u>1-3</u> 05/04/30/2017 – 05/05/2018 <u>05/05/2020</u>	\$2,078,293.00	\$12,469,758 <u>\$8,313,172.00</u>

3.0 The attached exhibit contains amendments to Scope of Work Section 3.1.1, 3.1.7, 3.1.10, 3.2.1, 4.1 and 4.4.2 that have been agreed to by the City and Contractor.

4.0 The City and Contractor have also agreed to a 3.2% price increase as allowed by Supplemental Purchase Pricing 8.C. on all price schedules separate from the annual price adjustment.

35.0 MBE/WBE goals were not established for this contract.

4-6.0 By signing this Amendment the Contractor certifies that the Contractor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration (GSA) List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

57.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this Amendment is hereby incorporated into and made a part of the above- referenced contract.

Signature: _____

Printed Name:

Authorized Representative

Texas Disposal Systems, Inc.

P.O. Box 17126

Austin, TX 78760

Rick Fraumann

RFraumann@texasdisposal.com

512-421-1300

Signature: _____

Danielle Lord, Corporate Purchasing Manager

City of Austin

Purchasing Office

[PO Box 1088](#)

[Austin, Texas 78767-8845](#)

Danielle.Lord@austintexas.gov

EXHIBIT

CITY OF AUSTIN-RESOURCE RECOVERY DEPARTMENT SCOPE OF WORK FOR TRASH AND RECYCLING COLLECTION AND HAULING SERVICES WITHIN THE DOWNTOWN CENTRAL BUSINESS DISTRICT OF AUSTIN, TEXAS

3.1 Collection Operation of Trash Containers

3.1.1 All trash collected by the Contractor from the Contract Area shall be delivered to a legally operated disposal facility pre-designated by the Contractor and approved by the City. For accurate data reporting purposes, the Contractor shall ~~not commingle trash at least once per year~~ collected trash from the Contract Area ~~with-without commingling~~ trash from any other source and submit the data on the uncommingled trash to the City, unless an alternate method of accurately recording data is approved by the City (see section 4.1 Data Reporting).

3.1.7 All trucks used by the Contractor shall be leak proof. The Contractor shall immediately remove any fluid that leaks from the Contractor's trucks and the Contractor shall have trucks repaired before placing them back into service in the Contract Area. In the event the Contractor does not clean up any leakage or spills within two (2) hours, the City may act to do so and charge the Contractor for all costs incurred. Contractor shall be entitled to charge City additional fees for management and disposal of excessive liquids discarded by City customers and collected from trash, recycling or organics containers that may cause hazardous conditions that are not prevented by contractor's use of industry standard, functioning, leak proof collection vehicles.

3.1.10 The City shall make a reasonable effort to enforce all applicable ordinances. However, this does not relieve the Contractor of the responsibility of removing all garbage, trash, debris, or other materials from the Contract Area, regardless of its source or whether it is inside or outside of a container. It is clearly understood that it is the responsibility of the Contractor to provide complete trash collection services as necessary in the Contract Area. Any material that is considered hazardous by either the Contractor or the City will be dealt with on a case-by-case basis. Contractor shall be entitled to charge City additional fees for management and disposal of excessive liquids discarded by City customers and collected from trash, recycling or organics containers that may cause hazardous conditions that are not prevented by contractor's use of industry standard, functioning, leak proof collection vehicles.

3.2.1 All single-stream recyclable materials collected by the Contractor from the Contract Area shall be delivered to a legally operated Material Recovery Facility (MRF) pre-designated by the Contractor and approved by the City. For accurate data reporting purposes, the Contractor shall at least once per year ~~not commingle recyclable materials~~ collected recyclable materials from the Contract Area ~~with-without commingling recyclable~~ materials from any other source and submit the data on the uncommingled recyclable materials to the City, unless an alternate method of accurately recording data is approved by the City (see section 4.1 Data Reporting).

4.1 Data Reporting: As the City moves toward achieving its Zero Waste goals, it is essential to collect accurate data for analysis. The Contract Area represents a concentration of significant activity that requires special consideration with regard to data collection. The Contractor shall either: (1) provide a

dedicated route/vehicle for each type of collection service (trash and recycling) in the designated Contract Area and prohibit drivers from making any collections off-route at least once per year; or (2) equip collection trucks used in the Contract Area for each type of collection service with on-board scales to allow for accurate weight data collection for each type of collection service in the Contract Area. The City and the Contractor shall jointly discuss and agree upon the type of scale or weighing system/method for the Contractor to utilize, but the Contractor shall be ultimately responsible for the successful implementation of an accurate weighing system/method. The Contractor shall supply the necessary staff, including administrative support, to collect, analyze and transmit collected data to the City on a monthly basis no later than the 10th of each month for the preceding month, or more frequently if requested by the City.

4.4.2 Compostable Materials Recycling Evaluation Pilot Program

At any time during the contract period, ~~but no later than October 1, 2017,~~ the City may must implement an evaluation pilot program in the Contract Area in an effort to further expand the scope of recycling services and to support the City's commitment to achieving its Zero Waste goals. Specific attention may be given to the collection and recycling of compostable materials (brush, food scraps/waste). Under this pilot program, the Contractor shall provide containers and collection service as requested by the City. ~~pursuant to Item Nos. 1.20-1.25 of the enclosed bid tabulation. Alternatively, the City and Contractor may implement an evaluation pilot program with container quantities, and collection service frequencies, and unit pricing -different from those described in Item Nos. 1. 14 20--1.25 of the enclosed bid tabulation. Applicable container quantities, collection service frequencies and unit prices for an adjusted evaluation pilot program- will be agreed to by Contractor and Cityare included as Item Nos. 1.20A-1.25A of the enclosed bid tabulation.~~ The purpose of this pilot program is to help the City evaluate the operational feasibility and effectiveness of further expanding the scope of recyclable materials collected in the Contract Area. The City shall not conduct an Organics collection pilot program within the Contract Area outside the scope of this contract.

(f). All compostable materials collected through this pilot program from the Contract Area shall be delivered to a legally operated processing facility pre-designated by the Contractor and approved by the City. For accurate data reporting purposes, the Contractor shall ~~not commingle compostable materials at least once per year~~ collected compostable materials from the Contract Area with~~out commingling compostable~~ materials from any other source and submit the data on the uncommingled compostable materials to the City, unless an alternate method of accurately recording data is approved by the City (see section 4.1 Data Reporting).