



Pinellas County

Staff Report

File #: 20-1962A, Version: 1

Subject:

Fourth Amendment to the Agreement with Synagro-WWT, Inc. for the sludge dryer project.

Recommended Action:

Approval of the Fourth Amendment to the Agreement with Synagro-WWT, Inc. for the sludge dryer project.

- This contract is for the disposal of biosolids (including pelletizing) produced by the County's W.E. Dunn Advanced Water Reclamation Facility and South Cross Bayou Advanced Water Reclamation Facility.
- This amendment extends the agreement for an additional five-year period following the end of the current contract period in April 2023 and has provision for up to three additional five-year extensions, provided the parties mutually agree.
- In addition to extending the term of the agreement, this amendment provides a set of options for evaluating the possible replacement of various components of the plant that may reach the end of their useful operational life during the extended term. These are referred to as Component Lifespan projects in the amendment.
- This extension will allow continuity of critical operations while developing a long-term regional biosolids disposal strategy beyond April 2023 via the Regional Resource Recovery Facility (RRRF) project which is currently in the request for proposal solicitation process.
- This amendment establishes that direct costs associated with cancellation of the agreement will be limited to an amount not-to-exceed \$90,000.00 provided the County provides written notification of cancellation to Synagro at least 180 days in advance.
- The Board of County Commissioners (BCC) awarded this contract on April 3, 2001; the BCC approved the first amendment on September 19, 2006; the BCC approved the second amendment on October 21, 2008; the County Administrator approved the first five-year term extension on February 28, 2013 and the third amendment and second five-year term extension December 18, 2017.
- The RRRF project will help develop a regional solution for biosolids management.

Contract No. 001-790-C increase in the amount of \$9,000,000.00 with a five-year term extension for a revised total contract amount not to exceed \$57,661,264.86 through April 23, 2028. The projected revenue from pellet sales over the five-year contract term is estimated at \$1,075,000.00. The total five-year expenditure of \$9,000,000.00 includes the revenue recovered from sales and an estimated average annual cost not-to-exceed \$1,800,000.00. Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Plan:

Practice Superior Environmental Stewardship.

3.3 Protect and improve the quality of our water, air, and other natural resources.

Deliver First Class Services to the Public and Our Customers.
5.3 Ensure effective and efficient delivery of county services and support.

Summary:

Black & Veatch was contracted to work with the County on a Biosolids masterplan. This plan was published on April 10, 2019 and provided recommendations for a short-term and a long-term strategy for disposal of the biosolids produced by both the W. E. Dunn Advanced Water Reclamation Facility (WEDAWRF) and the South Cross Bayou Advanced Water Reclamation Facility (SCBAWRF).

This extension will allow continuity of critical operations while developing the long-term biosolids disposal strategy needed for contract services beyond April 2023 via the RRRF project which is currently in the RFP selection process. Through this amendment, the agreement is extended for an additional five-year period following the end of the current contract period in April 2023 and may be extended up to three additional five-year periods, provided the parties mutually agree in writing to each additional extension period.

Each year, the County's two wastewater plants produce 30,000 wet tons of biosolids per year, enough to fill 1,000 30-ton truckloads. To be beneficially re-used, these products must meet strict environmental compliance. The Agreement requires Synagro to operate and maintain the pelletizing system and dispose of all biosolids provided by the County regardless of its quality and market acceptability. The Agreement has provision for the County to share the pellet sales revenue on a 50:50 basis; the County will receive a minimum of \$20/ton.

This amendment also establishes a not-to-exceed cap of \$90,000.00 for direct costs associated with cancellation of the agreement by the County, as long as a minimum of 180 days advance written notice of cancellation is provided to Synagro.

Background Information:

The BCC awarded this contract on April 3, 2001 in the amount of \$9,984,000.00 for capital costs and \$20,706,300.00 for operating and maintenance over 10 years; the BCC approved the First Amendment on September 19, 2006 in the amount of \$1,421,732.57 for a capital cost increase; the BCC approved the Second Amendment on October 21, 2008 in the amount of \$49,232.29 for a capital cost increase; the County Administrator approved the first five-year term extension on February 28, 2013 in the amount of \$7,500,000.00 and the Third Amendment and second five-year term extension December 18, 2017 in the amount of \$9,000,000.00.

Fiscal Impact:

Current Contract Amount	\$48,661,264.86
Estimated five (5) year *net expenditure not to exceed:	<u>\$ 9,000,000.00</u>
Total revised expenditure not to exceed:	\$57,661,264.86

*Net expenditure includes revenue obtained from the sale of pellets. Funding is derived from the Utilities Sewer Enterprise Fund.

Staff Member Responsible:

Megan Ross, Director, Utilities
Merry Celeste, Division Director, Purchasing Risk Management, Administrative Services

Joe Lauro, Director, Administrative Services

Partners:

N/A

Attachments:

Fourth Amendment