



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

44

2. Council Meeting Date:

June 28, 2007

TO: MAYOR & COUNCIL

3. Date Prepared: April 26, 2007

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Extend agreement WA5-962-2183 for transportation of sludge with Otto Logistics LLC, in an amount not to exceed \$1,094,000.

6. RECOMMENDATION: Recommend extension of agreement WA5-962-2183 for transportation of sludge with Otto Logistics LLC, in an amount not to exceed \$1,094,000.

7. HISTORICAL BACKGROUND/DISCUSSION: The requested contract is to provide transportation of sludge generated at the City's water and wastewater plants, waste generated by street sweeping, water distribution operations, and sludge from the Reverse Osmosis Brine Ponds. The recommended contractor will transport an estimated 41,700 tons of material annually to Waste Management's Butterfield Station for disposal under a separate contract.

8. EVALUATION PROCESS: In July 2005, Council awarded agreement WA5-962-2183 for transportation of sludge to Otto Logistics LLC. The agreement has a two-year term through August 31, 2007, with provisions to extend for two additional two-year periods. Staff is recommending the contract be extended for two years. The contract rates will be adjusted annually to reflect changes in the consumer price index (CPI), and quarterly to reflect changes in the cost of fuel. The requested amount is for two years of service, and includes estimated increases for CPI and fuel.

9. FINANCIAL IMPLICATIONS:

Costs: \$1,094,000
Savings: N/A
Long Term Costs: N/A

Fund Source:

<u>Account Name</u>	<u>Fund Name</u>	<u>Program Name</u>	<u>CIP Funded</u>	<u>Funds</u>
605.3830.0000.5219	Water Operating, Water Treatment	Other Prof/Contract Services	Non-CIP	\$ 111,000
615.3970.0000.5219	Wastewater Operating, OWRF	Other Prof/Contract Services	Non-CIP	\$ 332,000
615.3960.0000.5219	Wastewater Operating, AWRP	Other Prof/Contract Services	Non-CIP	\$ 458,000
616.3930.0000.5219	WW Industrial Treatment, RO	Other Prof/Contract Services	Non-CIP	\$ 48,000
605.3800.0000.5834	Water Operating, Water Distribution	Landfill Use Charges	Non-CIP	\$ 27,000
101.3350.0000.5834	General Fund, Street Sweeping	Landfill Use Charges	Non-CIP	\$ 118,000
				\$ 1,094,000

10. PROPOSED MOTION: Move to extend agreement WA5-962-2183 for transportation of sludge with Otto Logistics LLC, in an amount not to exceed \$1,094,000.

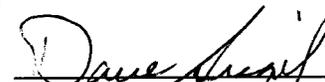
APPROVALS

11. Requesting Department



Robert Mulvey, Assistant Municipal Utilities Director

13. Department Head



Dave Siegel, Municipal Utilities Director

12. Buyer/Contract Admin.



Mike Mandt, Procurement Officer

14. City Manager



W. Mark Pentz

AMENDMENT NUMBER TWO,
TO AGREEMENT BETWEEN THE CITY OF CHANDLER AND OTTO LOGISTICS LLC.
FOR SLUDGE TRANSPORTATION
WS5-962-2183

This Amendment number two to that certain Agreement Between the City Of Chandler (CITY) and Otto Logistics (CONTRACTOR) for Sludge Transportation dated August 30, 2005, and amended August 10, 2006 is entered into this _____ day of _____, 2006.

WHEREAS, the contract expires August 31, 2007;

WHEREAS, the contract has provisions to extend up to two additional terms of two years each;

WHEREAS, the parties agree to extend the contract for two years.

NOW THEREFORE, the parties agree as follows:

1. Section III, B, is hereby amended to extend the contract two years beginning September 1, 2007 terminating on August 31, 2009.
2. All other terms and conditions of the above referenced Agreement and any amendments to the contract agreed to by the parties shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this _____ day of _____, 2007.

CITY OF CHANDLER:

By: _____
City Manager/designee

CONSULTANT:

By: *[Signature]*
Title: President

APPROVED AS TO FORM:

City Attorney *[Signature]*

ATTEST:

City Clerk

ATTEST: (If corporation)

[Signature]
Secretary

[SEAL]

WITNESS: (If individual or Partnership)

	ECI		Fleet Transportation		Otto Logistics		year 2 estimate		Total year 1 and 2		Rounded		Current Cost	
	Qty.	Unit Price	Unit Price	Ext Price	Unit Price	Ext Price	Qty.	Unit Price	Ext Price	Qty.	Unit Price	Ext Price	Qty.	Unit Price
Water Treatment Plant	5,000	\$ 13.75	\$ 68,750.00	\$ 10.75	\$ 53,750.00	\$ 9.41	\$ 47,050.00	5500	\$ 10.62	\$ 58,385.25	\$ 105,435.25	\$ 105,500.00	\$ 8.44	\$ 42,200.00
Ocotillo	11,000	\$ 11.85	\$ 130,350.00	\$ 11.25	\$ 123,750.00	\$ 11.47	\$ 126,170.00	12100	\$ 12.78	\$ 154,619.85	\$ 280,789.85	\$ 280,800.00	\$ 9.44	\$ 103,840.00
AWRF	17,000	\$ 13.50	\$ 229,500.00	\$ 12.00	\$ 204,000.00	\$ 10.58	\$ 179,860.00	18700	\$ 11.84	\$ 221,462.80	\$ 401,342.80	\$ 401,400.00	\$ 10.94	\$ 185,980.00
Streets	3,500	\$ 19.75	\$ 69,125.00	\$ 16.50	\$ 57,750.00	\$ 10.72	\$ 37,520.00	3850	\$ 11.99	\$ 46,165.35	\$ 83,685.35	\$ 83,750.00	\$ 15.94	\$ 55,790.00
Stand by Time	10	\$ 55.00	\$ 550.00	\$ 45.00	\$ 450.00	\$ 25.00	\$ 250.00	11	\$ 26.99	\$ 296.84	\$ 546.84	\$ 550.00	\$ 50.00	\$ 500.00
			\$ 498,275.00		\$ 439,700.00		\$ 390,850.00			\$ 480,950.09	\$ 871,800.09	\$ 872,000.00		\$ 388,310.00
Offer Signed		Yes	Yes	Yes	Yes	Yes	Yes							
Bid Bond		Yes	Yes	Yes	Yes	Yes	Yes							
Addendum 1		Yes	Yes	Yes	Yes	Yes	Yes							
Cost Points			31		36		40							

Based on 10% growth, 5% CPI and .7 fuel direct cost

Otto Logistics

	Qty.	Unit of Measure	Unit Price	Ext Price
Water Treatment Plant	5,000	Tons	\$ 9.41	\$ 47,050.00
Ocotillo	11,000	Tons	\$ 11.47	\$ 126,170.00
AWRF	17,000	Tons	\$ 10.58	\$ 179,860.00
Streets	3,500	Tons	\$ 10.72	\$ 37,520.00
Stand by Time	10	Hours	\$ 25.00	\$ 250.00
				<u>\$ 390,850.00</u>

Year 3 9/1/07-8/31/08

Water Treatment Plant	Qty	Base Unit Price	adjusted for CPI 9/1/06-9/1/07	Est price 9/1/07-9/1/08	Est Fuel Adj	Est price	Extended Price	Water Treatment Plant	Qty	Est price 9/1/07-9/1/08	Est Fuel Adj	Est price	Extended Price
Ocotillo		\$ 9.41	\$ 9.59	5000 \$ 9.88	0.70	\$ 10.58	\$ 52,887.11	Water Treatment Plant	5000	\$ 9.88	0.70	\$ 10.58	\$ 52,887.11
AWRF		\$ 11.47	\$ 11.69	12500 \$ 12.04	0.70	\$ 12.74	\$ 159,246.87	Ocotillo	12500	\$ 12.04	0.70	\$ 12.74	\$ 159,246.87
Streets		\$ 10.58	\$ 10.78	17000 \$ 11.11	0.70	\$ 11.81	\$ 200,694.19	AWRF	17000	\$ 11.11	0.70	\$ 11.81	\$ 200,694.19
RO Ponds		\$ 10.72	\$ 10.92	4700 \$ 11.25	0.70	\$ 11.95	\$ 56,176.72	Streets	4700	\$ 11.25	0.70	\$ 11.95	\$ 56,176.72
Water Dist. Waste		\$ 14.99	\$ 15.28	1400 \$ 15.73	0.70	\$ 16.43	\$ 23,008.44	RO Ponds	1400	\$ 15.73	0.70	\$ 16.43	\$ 23,008.44
Stand by Time	10	\$ 25.00		1100 \$ 11.25	0.07	\$ 11.32	\$ 12,464.74	Water Dist. Waste	1100	\$ 11.25	0.07	\$ 11.32	\$ 12,464.74
				10	25		\$ 250.00	Stand by Time	10	25		\$ 250.00	\$ 504,718.07
				41700									

Year 4 9/1/08-9/1/09

Water Treatment Plant	Qty	Est price 9/1/08-9/1/09	Est Fuel Adj	Est price	Extended Price	Total	Rounded
Ocotillo		5000 \$ 10.17	1.40	\$ 11.57	\$ 57,868.73	\$ 110,755.84	111000
AWRF		12500 \$ 12.40	1.40	\$ 13.80	\$ 172,511.77	\$ 331,768.64	332000
Streets		20000 \$ 11.44	1.40	\$ 12.84	\$ 256,774.13	\$ 457,488.32	458000
RO Ponds		4700 \$ 11.59	1.40	\$ 12.99	\$ 61,063.33	\$ 117,230.05	118000
Water Dist. Waste		1400 \$ 16.21	1.40	\$ 17.61	\$ 24,649.29	\$ 47,657.73	48000
Stand by Time	10	1100 \$ 11.59	1.40	\$ 12.99	\$ 14,289.08	\$ 26,743.82	27000
		10	25		\$ 250.00	\$ 587,596.32	
						\$ 1,094,000.00	

	Est Qty	UOM	Unit Price	Current fuel adjustment	Adj Unit Price	Ext Price	Rounded
RO	8800	tons	\$ 14.99	0.43	15.42	\$ 135,696.00	\$ 136,000.00
Water Dist	1000	tons	\$ 10.72	0.43	11.15	\$ 11,150.00	\$ 12,000.00
						<u>\$ 146,846.00</u>	<u>\$ 148,000.00</u>