



## Staff Report

**TO:** City Council  
**FROM:** Thaxton Van Belle, General Manager of Utilities  
**DATE:** February 1, 2022  
**SUBJECT:** **First Amendment of an Agreement to Extend the Contract for Professional Services with Burrtec Waste Industries, Inc., to Provide Sludge Hauling Services for the Wastewater Treatment Plant**

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### **Background and Analysis:**

The City issued a request for proposals (RFP) on January 28, 2019, to interested qualified firms to provide sludge hauling services for the City's Wastewater Treatment Plant (WWTP). Burrtec Waste Industries, Inc. (Burrtec) was selected to provide sludge hauling services for the WWTP for a three-year contract with the option to extend for two additional one-year periods, paid at the rate of \$56.60 per ton of sludge which escalates by 3% every July 1. This contract was executed on May 1, 2019 (Attachment A).

In March 2020 both parties entered into a letter agreement whereby Burrtec agreed to suspend the automatic 3% cost escalator until January 31, 2021 (Attachment B). This letter agreement delayed the implementation of the escalator due to the first wave of COVID-19 and the unknowns both parties faced.

The initial three-year contract period is coming to an end and City staff evaluated and explored the option of extending the current contract with Burrtec for sludge hauling services for the first of two possible one-year extensions under the original agreement. Extension of a contract beyond the initial period is allowed with a four-fifths vote of the City Council per Beaumont Municipal Code Section 3.02.070. Burrtec provided a "Request for Extension Letter" (Attachment C), to extend the term of the agreement with the agreeance that the escalator shall remain the same. Burrtec has performed well, and City staff is recommending this extension.

**Fiscal Impact:**

The fiscal impact for sludge hauling services for the WWTP is an increase of 3% from \$60.08/ton to \$61.88/ton beginning July 1, 2022, from account 700-4050-7068-0000. The cost to prepare this report is estimated to be \$1,200.

**Recommended Action:**

Approve the first amendment of an agreement to extend the existing contract for professional services with Burrtec Waste Industries, Inc., to provide sludge hauling services for the WWTP through April 30, 2023.

**Attachments:**

- A. Original Agreement for Professional Services by Independent Contractor
- B. Letter of Agreement for Professional Services and Waiver of Rate Escalator Provision
- C. Burrtec Waste Inc. Request for Extension Letter
- D. First Amendment Agreement for Extension of Professional Services