



## Elgin City Council Meeting Agenda Item Executive Summary

**ITEM:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS TO APPROVE AN AGREEMENT WITH SHERIDAN ENVIRONMENTAL, LLC TO PROVIDE SLUDGE HAULING SERVICES FOR A TERM OF THREE YEARS AND; TO AUTHORIZE THE MAYOR TO EXECUTE SAID AGREEMENT.

**DEPARTMENT:** Director of Finance

**PROPOSED ACTION:** Authorize Mayor to Execute the Agreement as presented or with any modifications the Council may wish to suggest.

**BACKGROUND:**

Sheridan Environmental has been providing sludge hauling services for the City's wastewater operation for over four years. During that period the services provided have been to the highest standards as prescribed by the prior contract. The termination date of the contract was February 1, 2019. In the mean-time Sheridan continued to provide this service and will continue to do so through September 30, 2019.

As a result of stricter environmental requirements imposed by TCEQ, landfills where the sludge is disposed of have increased their dumping prices. As a result, the price quoted by Sheridan to continue this service has increased from \$480 per load to \$625 or 23.2%.

In checking prices for comparable services in the area, it was found that other haulers are quoting prices in excess of \$800 per load. Based on these circumstances it is recommended that the Council approve the Agreement with Sheridan and authorize the Mayor to execute the Agreement on behalf of the City. The terms and conditions of the proposed cost and scope of work are documented in a Services Agreement, attached hereto as EXHIBIT A;

**BUDGET/FINANCIAL IMPACT:**

Provisions for the increase in costs are to be provided in the proposed budget for FY 2019-20.

**RECOMMENDATION:** Recommended for acceptance

**ATTACHMENTS:** Copy of the Resolution authorizing the Agreement between City and Sheridan Environmental are attached as well as Exhibit A of the Resolution containing the scope of work, services to be provided, cost of services and other terms and conditions to be agreed to between the parties.

**{X} Staff will provide brief comments and answer questions on this item at the meeting.**

*Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.*

**RESOLUTION NO: \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS TO APPROVE AN AGREEMENT WITH SHERIDAN ENVIRONMENTAL, LLC TO PROVIDE SLUDGE HAULING SERVICES FOR A TERM OF THREE YEARS AND; TO AUTHORIZE THE MAYOR TO EXECUTE SAID AGREEMENT.**

**WHEREAS**, Sheridan Environmental (Contractor) has been providing sludge hauling services for the City’s wastewater operation under a contract executed February 1, 2014; and

**WHEREAS**, the contract ended in February 1, 2019 but the “Contractor” continued to provide the services as specified in the contract beyond that date and has agreed to continue to provide that service at the original price through September 30, 2019; and

**WHEREAS**, the “Contractor” wishes to renew the contract as of October 1, 2019 at an increase of 23.2% based on increases in costs required by landfills due to tougher TCEQ requirements for disposal of pressed sludge; and

**WHEREAS**, staff has requested quotes from other haulers in the area whose quotes are several hundred dollars per load, above that quoted by Sheridan; and

**WHEREAS**, the terms and conditions of the proposed cost and scope of work are documented in a Services Agreement, attached hereto as EXHIBIT A;

***NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS THAT:***

The City Council approves the entering into the Services Agreement with Sheridan Environmental LLC, under the terms and conditions shown in EXHIBIT A and that the Mayor is authorized on behalf of the City to execute said Agreement which is incorporated herein for all purposes and that Sheridan Environmental LLC shall provide said services as described therein.

APPROVED AND RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS ON THIS 6<sup>th</sup> DAY OF AUGUST, 2019.

\_\_\_\_\_  
Chris Cannon, Mayor

ATTEST:

\_\_\_\_\_  
Amelia Sanchez, City Secretary

## EXHIBIT A

This agreement between City of Elgin herein called "Client", and Sheridan Environmental LLC, 14926 FM 620 North, Austin, TX 78717, herein called "Sheridan", provides for performance by Sheridan of the work under the terms and conditions set forth below.

1. The Commencement Date is October 1, 2019.
2. The Completion Date is Oct 1, 2021. The Contract may be renewed by letter agreement under the same terms and conditions for a period not to exceed 12 months from the original Completion Date.
3. The Contract Price is: \$625.00 Per load .
4. The location and description of the work is as follows:
  - a. Location 1: LCRA Elgin WWTP, 720 West Cleveland Street, Elgin TX 78621-3205 :
    - i. Removal of domestic wastewater sludge from premises in Sheridan-provided 20 yard roll-off containers.
    - ii. Disposal of same wastewater sludge at Walker Aero Environmental, 3600 North FM 973, Austin, TX, TCEQ registration # 2310, or other facility approved by TCEQ to take such material.
5. Project Costs. Sheridan shall furnish at its own expense, protective equipment and travel to and from the job, together with all other items which may be necessary in the performance and completion of the work herein described, except such as may be specifically provided to be furnished by Client.
6. Insurance: Sheridan shall, at all times during the period in which this agreement is in force and effect, provide and maintain insurance and shall require all sub-contractors any tier to provide and maintain insurance of the type and in limits as set forth below. Such insurance shall name the parties required to secure same as insured and shall include Client as an "additional insured". A Certificate of Insurance will be furnished to Client before the commencement of any work under this contract.
  - a. Liability Insurance. Sheridan shall carry Comprehensive Automobile and General Liability Insurance, at its sole cost and expense, covering all operations under this contract whether such operations be by himself or by any sub-contractor or anyone directly or indirectly employed by either of them. The minimum acceptable limits of liability to be provided by such liability insurance shall be as follows:
    - i. General Liability Insurance
      1. General Aggregate      \$300,000
      2. Each Occurrence      \$100,000
      3. The general liability insurance required by the preceding paragraph shall include the following extensions of coverage:
        - a. Contractual liability endorsement

## EXHIBIT A

- b. Products and completed operations liability endorsement
  - c. Explosion, collapse and underground hazards endorsement
  - d. Client as an "additional insured" endorsement
- ii. Automobile Liability Insurance. The minimum acceptable limits of liability to be provided by such automobile liability insurance shall be as follows:
- 1. Combined Single Limit \$300,000
  - 2. Said automobile liability insurance shall provide coverage for owned, unowned and hired vehicles.
- iii. Workers' Compensation Insurance Coverage
- 1. Definitions
    - a. Certificate of coverage ("certificate") A copy of a certificate of insurance, a certificate of authority to self-insure issued by the Texas Workers' Compensation Commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.
    - b. Duration of the project Includes the time from the beginning of the work on the project until Sheridan's work on the project has been completed and accepted by Client.
    - c. Persons providing services on the project ("sub-contractor" in §406.096) - includes all persons or entities performing all or part of the services Sheridan has undertaken to perform on the project, regardless of whether that person contracted directly with Sheridan and regardless of whether that person has employees. This includes, without limitation, independent contractors, sub-contractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.
  - 2. Sheridan shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Sheridan providing services on the project, for the duration of the project.
  - 3. Sheridan must provide a certificate of coverage to Client prior to being awarded the contract upon request.

## EXHIBIT A

4. If the coverage period shown on Sheridan's current certificate of coverage ends during the duration of the project, Sheridan must, upon request, prior to the end of the coverage period, file a new certificate of coverage with Client showing that coverage has been extended.
5. Sheridan shall retain all required certificates of coverage for the duration of the project and for one year thereafter.
6. Sheridan shall notify Client in writing by certified mail or personal delivery, within 10 days after the Sheridan knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
7. Sheridan shall upon request post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
8. By signing this contract or providing or causing to be provided a certificate of coverage, Sheridan is representing to the Client that all employees of Sheridan who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier, or, in the case of a self-insured, with the Commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Sheridan to administrative penalties, criminal penalties, civil penalties, or other civil actions.
9. Sheridan's failure to comply with any of these provisions is a breach of contract by Sheridan which entitles Client to declare the contract void if Sheridan does not remedy the breach within ten days after receipt of notice of breach from Client.
  - b. Cancellation of Insurance. Sheridan shall not cause any insurance policy to be canceled or permit it to lapse and all insurance policies shall include an endorsement to the effect that the insurance policy or certificate shall not be subject to cancellation or to a reduction in the required limits of liability or amounts of insurance until notice has been mailed to the Client stating the date when such cancellation or reduction shall be effective which date shall not be less than thirty (30) days after such notice.
7. Risk Of Loss: Until written acceptance of the work by Client, all risk of loss, injury, or destruction by any cause shall be borne by Sheridan. Responsibility of Sheridan shall extend to materials and equipment supplied by Client for the job.
8. Non-Assignability: This contract shall not be transferred, assigned or subcontracted without the advance written approval of Client. Subcontracting shall not relieve Sheridan of primary responsibility.
9. Defaults: Time and quality of work shall be of the essence of this contract. If Sheridan fails to begin or prosecute the work with reasonable diligence, without interruption, and in a good and workmanlike manner, Client may, at its option, upon three (3) days' notice in writing to Sheridan, terminate the work. Without prejudice to any other remedy it may have, Client may take control of the work for the purpose of completing

## EXHIBIT A

the same under the terms hereof, either by its own employees, or by other independent contract. The provisions of this section shall not apply to any defaults in performance of the incidental covenants of Sheridan, which are not directly related to the continuity and quality of the work.

10. Notices: Notices hereunder shall be sent to Client and to Sheridan at the addresses at the head of this document, but all requests given Sheridan's foremen on the job by Client's representatives shall be conclusive. Oral communications will be sufficient except as to matters required to be in writing by this contract.
11. Compliance with Authority: Sheridan agrees to comply with all laws, orders, rules or regulations of any governmental body, including without limitation those pertaining to Social Security, safety, health, old age pension and unemployment compensation.
12. Safety: Sheridan shall conform to safety requirements set forth in federal, state and local codes and regulations applicable to its industry and appropriate technical bulletins and manuals. Sheridan shall train its employees in the safe work procedures for the tasks to be performed, and shall provide and require use of personal protective equipment for persons in or about the project site.
13. Payment: Client will be invoiced at the beginning of each month for services rendered during the prior month. Payment is due 30 days after receipt of invoice. Past due invoices will accrue interest at either 18% per annum, or the highest rate allowed by law, whichever is less.
14. Interpretation: This contract constitutes the entire agreement between the parties, and no other conversations, bids, memoranda, or other matter shall vary, alter, or interpret the terms hereof. The captions in this instrument are for convenience of the parties in identifying the several provisions and shall not constitute a part of the agreement nor be considered interpretive thereof. Failure of either party to exercise any option, right, or privilege hereunder, or to demand compliance as to any obligation or covenant shall not constitute a waiver of any such right, privilege or option, or of the strict performance hereof unless waiver is expressly required in such event, or is evidence by properly executed instrument.

EXHIBIT A

EXECUTED by the parties and on this \_\_\_\_\_, 20\_\_\_\_\_.

<p>Sheridan Environmental. LLC,</p> <hr/> <p>By: Phillip McCammon V President</p>	<hr/> <p>[Client]</p> <p>By: _____ [signature]</p> <hr/> <p>[print name]</p> <hr/> <p>[title]</p>
---	---