

CITY OF PALO ALTO CONTRACT NO. C24187745B

GENERAL SERVICES AGREEMENT

THIS AGREEMENT made and entered into on the 12th day of February, 2024, by and between the **CITY OF PALO ALTO**, a California chartered municipal corporation ("**CITY**"), and **SYNAGRO-WWT, INC.**, a Maryland corporation, located at 435 Williams Court, Suite 100, Baltimore, MD 21220, Telephone Number: 410-688-4438 ("**CONTRACTOR**"). In consideration of their mutual covenants, the parties hereto agree as follows:

1. **SERVICES.** CONTRACTOR shall provide or furnish the services (the "Services") described in the Scope of Services, attached at Exhibit A.
2. **EXHIBITS.** The following exhibits are attached to and made a part of this Agreement:

- ☒ "A" - Scope of Services
- ☒ "A-1" – Palo Alto Sludge Characteristics
- ☒ "B" - Schedule of Performance
- ☒ "C" – Schedule of Fees
- ☒ "D" - Insurance Requirements

CONTRACT IS NOT COMPLETE UNLESS ALL INDICATED EXHIBITS ARE ATTACHED.

3. **TERM.**
The term of this Agreement is from April 1, 2024 to March 31, 2029 inclusive, subject to the provisions of Sections R and W of the General Terms and Conditions.
4. **SCHEDULE OF PERFORMANCE.** CONTRACTOR shall complete the Services within the term of this Agreement in a reasonably prompt and timely manner based upon the circumstances and direction communicated to CONTRACTOR, and if applicable, in accordance with the schedule set forth in the Schedule of Performance, attached at Exhibit B. Time is of the essence in this Agreement.
5. **COMPENSATION FOR ORIGINAL TERM.** CITY shall pay and CONTRACTOR agrees to accept as not-to-exceed compensation for the full performance of the Services and reimbursable expenses, if any:

☐ The total maximum lump sum compensation of dollars (\$));
OR

- ☐ The sum of dollars (\$) per hour, not to exceed a total maximum compensation amount of dollars (\$); **OR**
- ☒ A sum calculated in accordance with the fee schedule set forth at Exhibit C, not to exceed a total maximum compensation amount of seven million six hundred seventeen thousand and thirteen dollars (\$7,617,013.00).

CONTRACTOR agrees that it can perform the Services for an amount not to exceed the total maximum compensation set forth above. Any hours worked or services performed by CONTRACTOR for which payment would result in a total exceeding the maximum amount of compensation set forth above for performance of the Services shall be at no cost to CITY.

- ☐ CITY has set aside the sum of dollars (\$) for Additional Services. CONTRACTOR shall provide Additional Services only by advanced, written authorization from the City Manager or designee. CONTRACTOR, at the CITY's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONTRACTOR's proposed maximum compensation, including reimbursable expense, for such services. Compensation shall be based on the hourly rates set forth above or in Exhibit C (whichever is applicable), or if such rates are not applicable, a negotiated lump sum. CITY shall not authorize and CONTRACTOR shall not perform any Additional Services for which payment would exceed the amount set forth above for Additional Services. Payment for Additional Services is subject to all requirements and restrictions in this Agreement.

6. COMPENSATION DURING ADDITIONAL TERMS.

- ☐ CONTRACTOR'S compensation rates for each additional term shall be the same as the original term; **OR**
- ☐ CONTRACTOR's compensation rates shall be adjusted effective on the commencement of each Additional Term. The lump sum compensation amount, hourly rates, or fees, whichever is applicable as set forth in section 5 above, shall be adjusted by a percentage equal to the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the San Francisco-Oakland- San Jose area, published by the United States Department of Labor Statistics (CPI) which is published most immediately preceding the commencement of the applicable Additional Term, which shall be compared with the CPI published most immediately preceding the commencement date of the then expiring term. Notwithstanding the foregoing, in no event shall CONTRACTOR's compensation rates be

increased by an amount exceeding five percent of the rates effective during the immediately preceding term. Any adjustment to CONTRACTOR's compensation rates shall be reflected in a written amendment to this Agreement.

- 7. CLAIMS PROCEDURE FOR "9204 PUBLIC WORKS PROJECTS".** For purposes of this Section 7, a "9204 Public Works Project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind. Public Contract Code Section 9204 mandates certain claims procedures for Public Works Projects



This project is not a 9204 Public Works Project.

- 8. INVOICING.** Send all invoices to CITY, Attention: Project Manager. The Project Manager is: James Allen, Dept.: Public Works, Telephone: 650-329-2243; rwqcp.invoices@cityofpaloalto.org. Invoices shall be submitted in arrears for Services performed. Invoices shall not be submitted more frequently than monthly. Invoices shall provide a detailed statement of Services performed during the invoice period and are subject to verification by CITY. CITY shall pay the undisputed amount of invoices within 30 days of receipt.

GENERAL TERMS AND CONDITIONS

- A. ACCEPTANCE.** CONTRACTOR accepts and agrees to all terms and conditions of this Agreement. This Agreement includes and is limited to the terms and conditions set forth in sections 1 through 8 above, these general terms and conditions and the attached exhibits.
- B. QUALIFICATIONS.** CONTRACTOR represents and warrants that it has the expertise and qualifications to complete the services described in Section 1 of this Agreement, entitled "SERVICES," and that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified, to the extent such licensing or certification is required by law, to perform the Services. CITY expressly relies on CONTRACTOR's representations regarding its skills, knowledge, and certifications. CONTRACTOR shall perform all work in accordance with generally accepted business practices and performance standards of the industry, including all federal, state, and local operation and safety regulations.
- C. INDEPENDENT CONTRACTOR.** It is understood and agreed that in the performance of this Agreement, CONTRACTOR and any person employed by CONTRACTOR shall at all times be considered an independent CONTRACTOR and not an agent or employee of CITY. CONTRACTOR shall be responsible for

employing or engaging all persons necessary to complete the work required under this Agreement.

- D. SUBCONTRACTORS.** CONTRACTOR may not use subcontractors to perform any Services under this Agreement unless CONTRACTOR obtains prior written consent of CITY. CONTRACTOR shall be solely responsible for directing the work of approved subcontractors and for any compensation due to subcontractors.
- E. TAXES AND CHARGES.** CONTRACTOR shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of CONTRACTOR's business.
- F. COMPLIANCE WITH LAWS.** CONTRACTOR shall in the performance of the Services comply with all applicable federal, state and local laws, ordinances, regulations, and orders.
- G. PALO ALTO MINIMUM WAGE ORDINANCE.** CONTRACTOR shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as it may be amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONTRACTOR shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONTRACTOR shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code section 4.62.060.
- H. DAMAGE TO PUBLIC OR PRIVATE PROPERTY.** CONTRACTOR shall, at its sole expense, repair in kind, or as the City Manager or designee shall direct, any damage to public or private property that occurs in connection with CONTRACTOR's performance of the Services. CITY may decline to approve and may withhold payment in whole or in part to such extent as may be necessary to protect CITY from loss because of defective work not remedied or other damage to the CITY occurring in connection with CONTRACTOR's performance of the Services. CITY shall submit written documentation in support of such withholding upon CONTRACTOR's request. When the grounds described above are removed, payment shall be made for amounts withheld because of them.
- I. WARRANTIES.** CONTRACTOR expressly warrants that all services provided under this Agreement shall be performed in a professional and workmanlike manner in accordance with generally accepted business practices and performance standards of the industry and the requirements of this Agreement. CONTRACTOR expressly warrants that all materials, goods and equipment provided by

CONTRACTOR under this Agreement shall be fit for the particular purpose intended, shall be free from defects, and shall conform to the requirements of this Agreement. CONTRACTOR agrees to promptly replace or correct any material or service not in compliance with these warranties, including incomplete, inaccurate, or defective material or service, at no further cost to CITY. The warranties set forth in this section shall be in effect for a period of one year from completion of the Services and shall survive the completion of the Services or termination of this Agreement.

- J. MONITORING OF SERVICES.** CITY may monitor the Services performed under this Agreement to determine whether CONTRACTOR's work is completed in a satisfactory manner and complies with the provisions of this Agreement.
- K. CITY'S PROPERTY.** Any reports, information, data or other material (including copyright interests) developed, collected, assembled, prepared, or caused to be prepared under this Agreement will become the property of CITY without restriction or limitation upon their use and will not be made available to any individual or organization by CONTRACTOR or its subcontractors, if any, without the prior written approval of the City Manager.
- L. AUDITS.** CONTRACTOR agrees to permit CITY and its authorized representatives to audit, at any reasonable time during the term of this Agreement and for three (3) years from the date of final payment, CONTRACTOR's records pertaining to matters covered by this Agreement. CONTRACTOR agrees to maintain accurate books and records in accordance with generally accepted accounting principles for at least three (3) following the terms of this Agreement.
- M. NO IMPLIED WAIVER.** No payment, partial payment, acceptance, or partial acceptance by CITY shall operate as a waiver on the part of CITY of any of its rights under this Agreement.
- N. INSURANCE.** CONTRACTOR, at its sole cost, shall purchase and maintain in full force during the term of this Agreement, the insurance coverage described at Exhibit D. Insurance must be provided by companies with a Best's Key Rating of A-:VII or higher and which are otherwise acceptable to CITY's Risk Manager. The Risk Manager must approve deductibles and self-insured retentions. In addition, all policies, endorsements, certificates and/or binders are subject to approval by the Risk Manager as to form and content. CONTRACTOR shall obtain a policy endorsement naming the City of Palo Alto as an additional insured under any general liability or automobile policy. CONTRACTOR shall obtain an endorsement stating that the insurance is primary coverage and will not be canceled or materially reduced in coverage or limits until after providing 30 days prior written notice of the cancellation or modification to the Risk Manager. CONTRACTOR shall

provide certificates of such policies or other evidence of coverage satisfactory to the Risk Manager, together with the required endorsements and evidence of payment of premiums, to CITY concurrently with the execution of this Agreement and shall throughout the term of this Agreement provide current certificates evidencing the required insurance coverages and endorsements to the Risk Manager. CONTRACTOR shall include all subcontractors as insured under its policies or shall obtain and provide to CITY separate certificates and endorsements for each subcontractor that meet all the requirements of this section. The procuring of such required policies of insurance shall not operate to limit CONTRACTOR's liability or obligation to indemnify CITY under this Agreement.

- O. HOLD HARMLESS.** To the fullest extent permitted by law and without limitation by the provisions of section N relating to insurance, CONTRACTOR shall indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents from and against any and all demands, claims, injuries, losses, or liabilities of any nature, including death or injury to any person, property damage or any other loss and including without limitation all damages, penalties, fines and judgments, associated investigation and administrative expenses and defense costs, including, but not limited to reasonable attorney's fees, courts costs and costs of alternative dispute resolution), arising out of, or resulting in any way from or in connection with the performance of this Agreement. CONTRACTOR's obligations under this Section apply regardless of whether or not a liability is caused or contributed to by any negligent (passive or active) act or omission of CITY, except that CONTRACTOR shall not be obligated to indemnify for liability arising from the sole negligence or willful misconduct of CITY. The acceptance of the Services by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section survive the completion of the Services or termination of this Agreement.
- P. NON-DISCRIMINATION.** As set forth in Palo Alto Municipal Code section 2.30.510, CONTRACTOR certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONTRACTOR acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.
- Q. WORKERS' COMPENSATION.** CONTRACTOR, by executing this Agreement, certifies that it is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of

that Code, and certifies that it will comply with such provisions, as applicable, before commencing and during the performance of the Services.

- R. TERMINATION.** The City Manager may terminate this Agreement without cause by giving ten (10) days' prior written notice thereof to CONTRACTOR. If CONTRACTOR fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, the City Manager may terminate this Agreement immediately upon written notice of termination. Upon receipt of such notice of termination, CONTRACTOR shall immediately discontinue performance. CITY shall pay CONTRACTOR for services satisfactorily performed up to the effective date of termination. If the termination is for cause, CITY may deduct from such payment the amount of actual damage, if any, sustained by CITY due to CONTRACTOR's failure to perform its material obligations under this Agreement. Upon termination, CONTRACTOR shall immediately deliver to the City Manager any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by CONTRACTOR or given to CONTRACTOR, in connection with this Agreement. Such materials shall become the property of CITY.
- S. ASSIGNMENTS/CHANGES.** This Agreement binds the parties and their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written consent of CITY. No amendments, changes or variations of any kind are authorized without the written consent of CITY.
- T. CONFLICT OF INTEREST.** In accepting this Agreement, CONTRACTOR covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of this Agreement. CONTRACTOR further covenants that, in the performance of this Agreement, it will not employ any person having such an interest. CONTRACTOR certifies that no CITY officer, employee, or authorized representative has any financial interest in the business of CONTRACTOR and that no person associated with CONTRACTOR has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. CONTRACTOR agrees to advise CITY if any conflict arises.
- U. GOVERNING LAW.** This Agreement shall be governed and interpreted by the laws of the State of California.
- V. ENTIRE AGREEMENT.** This Agreement, including all exhibits, represents the entire agreement between the parties with respect to the services that may be the subject of this Agreement. Any variance in the exhibits does not affect the validity of the Agreement and the Agreement itself controls over any conflicting provisions

in the exhibits. This Agreement supersedes all prior agreements, representations, statements, negotiations and undertakings whether oral or written.

W. NON-APPROPRIATION. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This Section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

X. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONTRACTOR shall comply with CITY's Environmentally Preferred Purchasing policies which are available at CITY's Purchasing Division, which are incorporated by reference and may be amended from time to time. CONTRACTOR shall comply with waste reduction, reuse, recycling and disposal requirements of CITY's Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, CONTRACTOR shall comply with the following zero waste requirements:

- All printed materials provided by CONTRACTOR to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.
- Goods purchased by Contractor on behalf of CITY shall be purchased in accordance with CITY's Environmental Purchasing Policy including, but not limited to, Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Division's office.
- Reusable/returnable pallets shall be taken back by CONTRACTOR, at no additional cost to CITY, for reuse or recycling. CONTRACTOR shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

Y. AUTHORITY. The individual(s) executing this Agreement on behalf of the parties represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

Z. PREVAILING WAGES

☒ **This Project is not subject to prevailing wages.** CONTRACTOR is not required to pay prevailing wages in the performance and implementation of the Project in accordance with SB 7, if the Agreement is not a public works contract, if Agreement does not include a public works construction project of more than \$25,000, or the Agreement does not include a public works alteration, demolition, repair, or maintenance (collectively, 'improvement') project of more than \$15,000.

AA.DIR REGISTRATION. In regard to any public work construction, alteration, demolition, repair or maintenance work, CITY will not accept a bid proposal from or enter into this Agreement with CONTRACTOR without proof that CONTRACTOR and its listed subcontractors are registered with the California Department of Industrial Relations ("DIR") to perform public work, subject to limited exceptions. City requires CONTRACTOR and its listed subcontractors to comply with the requirements of SB 854.

CITY provides notice to CONTRACTOR of the requirements of California Labor Code section 1771.1(a), which reads:

"A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the Agreement is awarded."

CITY gives notice to CONTRACTOR and its listed subcontractors that CONTRACTOR is required to post all job site notices prescribed by law or regulation and CONTRACTOR is subject to SB 854-compliance monitoring and enforcement by DIR.

CITY requires CONTRACTOR and its listed subcontractors to comply with the requirements of Labor Code section 1776, including:

Keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice,

worker, or other employee employed by, respectively, CONTRACTOR and its listed subcontractors, in connection with the Project.

The payroll records shall be verified as true and correct and shall be certified and made available for inspection at all reasonable hours at the principal office of CONTRACTOR and its listed subcontractors, respectively.

At the request of CITY, acting by its project manager, CONTRACTOR and its listed subcontractors shall make the certified payroll records available for inspection or furnished upon request to the project manager within ten (10) days of receipt of CITY's request.

☐ [For state- and federally-funded projects] CITY requests CONTRACTOR and its listed subcontractors to submit the certified payroll records to the project manager at the end of each week during the Project.

If the certified payroll records are not produced to the project manager within the 10-day period, then CONTRACTOR and its listed subcontractors shall be subject to a penalty of one hundred dollars (\$100.00) per calendar day, or portion thereof, for each worker, and CITY shall withhold the sum total of penalties from the progress payment(s) then due and payable to CONTRACTOR.

Inform the project manager of the location of CONTRACTOR's and its listed subcontractors' payroll records (street address, city and county) at the commencement of the Project, and also provide notice to the project manager within five (5) business days of any change of location of those payroll records.

BB. CONTRACT TERMS. All unchecked boxes do not apply to this Agreement. In the case of any conflict between the terms of this Agreement and the exhibits hereto or CONTRACTOR's proposal (if any), the Agreement shall control. In the case of any conflict between the exhibits hereto and CONTRACTOR's proposal, the exhibits shall control.

CC. FORCE MAJEURE. Neither Party shall be in default of its obligations under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to an "act of God" (including, but not limited to, flood, earthquake, fire or other catastrophic events), civil disturbance, strikes (except any strikes involving a Party's personnel), orders or judgments of any Federal, State or local court, administrative agency or governmental body, or other similar cause affecting the city of Palo Alto, not the fault of, and beyond the reasonable control of, the Party claiming excuse. A party claiming excuse under this Section must (1) have taken reasonable precautions, if possible, to avoid being affected by the cause and (2) notify the other Party in accordance with this Section.

Any suspension of performance by a Party pursuant to this Section shall be only to the extent, and for a period of no longer duration than, required by the nature of the event, and the Party claiming excuse from obligation shall use its best efforts in an expeditious manner to remedy its inability to perform, and mitigate damages that may occur as a result of the event.

The Party claiming excuse shall deliver to the other Party a written notice of intent to claim excuse from performance under this Agreement by reason of an event of Force Majeure. Notice shall be given promptly in light of the circumstances, but in any event not later than 5 days after the occurrence of the event of Force Majeure. Such notice shall describe in detail the event of Force Majeure claimed, the services impacted by the claimed event of Force Majeure, the expected length of time that the Party expects to be prevented from performing, the steps which the Party intends to take to restore its ability to perform, and such other information as the other Party reasonably requests.

The partial or complete interruption or discontinuance of CONTRACTOR's services caused by an event of Force Majeure shall not constitute an event of default under this Agreement. Notwithstanding the foregoing, in the event of non-performance excused by Force Majeure, where the CONTRACTOR's nonperformance continues or is noticed to continue for 10 days or more, CITY shall have the right to terminate this Agreement immediately and shall have no obligation to pay for services that have not been performed.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

City Manager or Designee

Approved as to form:

City Attorney or Designee

SYNAGRO-WWT, INC

By 
Rhylee Callan, Contract Administration Manager
Name _____
Title _____ Contract Administration Manager
Telephone _____ 410-537-6154

By 
Rhylee Callan, Contract Administration Manager
Name _____
Title _____ Contract Administration Manager
Telephone _____ 410-537-6154

EXHIBIT A SCOPE OF SERVICES

1. BACKGROUND AND PURPOSE

- a. The RWQCP is a wastewater treatment plant that produces sludge requiring offsite treatment. Two onsite sewage sludge incinerators were retired in 2019 and replaced with a new sludge dewatering and truck loadout facility. Since 2019, the sludge has been hauled to two different regional treatment facilities, including the Synagro site in this contract, for treatment and end use disposal.
- b. To prepare for hauling and treatment, the City first solicited proposals for sludge hauling and treatment services in 2017. Council approved a three-year contract¹ with Denali Water Solutions, LLC (Denali) on June 18, 2018 for sludge hauling services through March 31, 2022. Denali began daily sludge hauling from the City's dewatering facility on March 19, 2019. Five-year contracts¹ for sludge treatment services with Lystek International Limited (Lystek) and Synagro-WWT, Inc. (Synagro) were also approved on June 18, 2018, but these contracts have longer terms through March 31, 2024. A new contract² for sludge hauling, again with Denali, was approved on January 24, 2022 for three more years of hauling services beginning April 1, 2022 and ending March 31, 2025. Following a new solicitation, this contract extends by five years the sludge treatment services provided at the Synagro treatment facility.
- c. Current treatment facility addresses are shown below along with currently contracted annual minimums and pricing:
 - i. Synagro Central Valley Compost Facility (CVC)
 1. Address: 13757 Harmon Rd, Dos Palos, CA 93620
 2. Minimum wet tons per year is 10,000 at \$40.85/ton

2. SLUDGE PREPARER'S ADDRESS

Palo Alto Regional Water Quality Control Plant

¹ Staff Report ID# 8913 <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2018/id-8913-approve-three-public-works-contracts-for-sludge-hauling-and-offsite-treatment-services.pdf>

² Staff Report ID# 13520, see p. 17 at <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2022/20220124/20220124pccsm-amended-linked-cq-added.pdf>

2501 Embarcadero Way
Palo Alto, CA 94303
650-329-2598 - phone

3. SERVICE ASSUMPTIONS AND PRICES.

- a. Except for tonnage commitments required by the Contractor, the City does not expressly or by implication agree that the actual amount of work shall correspond to annual raw sludge tonnages mentioned in this specification, but reserves the right to increase, decrease, or modify the amount of any class or portion of the work or to omit portions of the work as may be deemed necessary or expedient by the City.
- b. Annual minimum tonnage delivery guarantee is 10,000 wet tons.

4. PALO ALTO SLUDGE CHARACTERISTICS

- a. The material covered under this Agreement is a mix of raw, dewatered wastewater sludge and scum (hereafter, "sludge") that has not yet been stabilized.
- b. The wastewater sludge is collected as waste sludge from activated sludge tanks (about 29% of total content) and primary sludge settling tanks (about 71% of total content). This blend is then thickened in gravity thickeners to 3% to 4% solids. The sludge blend is processed through grinders before being sent to a blend tank. The sludge is kept blended with mix pumps and aerated by a blower in a 100,000 gallon mix tank, is pumped to a belt filter press, is treated for odors in-line with a sodium hypochlorite solution, and is then dewatered using a high molecular weight cationic polymer solution on a belt filter press. Upstream preliminary treatment processes include grit removal and mechanically raked barscreens using $\frac{3}{4}$ " spacing at the headworks.
- c. Primary tank scum is pumped through a grinder, sent to a scum concentrator, and thickened to about 50% solids. This scum is added to the 20% plus sludge cake screw conveyors that feed into sludge cake bins.
- d. Solids content of filter press cake will have a solid content of not less than 22%. In general, sludge dryness is often in the range of 29% to 30%.
- e. Except as stated herein, the City cannot guarantee condition or quality of the material. Therefore, notice is hereby given that the content and nature of the sludge and scum may change depending on RWQCP process control

changes, treatment plant changes, influent characteristics, or treatment plant effectiveness.

- f. The City will certify that the wastewater sludge and scum pollutant concentrations are at or below the metal concentration limits established in 40 CFR 503.13, Table 1 and Table 3.
- g. The wastewater sludge contains pathogenic microorganisms and does not meet all 40 CFR 503 regulations. The city declares that:
 - i. The sludge does not meet the pathogen reduction requirements of 40 CFR 503.32(b)(3) ["PRSP"].
 - ii. The sludge does not meet the vector attraction reduction requirements of 40 CFR 503.33(b)(1).
- h. Furthermore, the RWQCP's annual USEPA biosolids reports are available upon request. Exhibit A-1 (Palo Alto Sludge Characteristics) is provided with analytical data, including trace metal analysis on sludge and scum as well as general raw sludge characterization.
- i. At no time during the term of this Agreement shall the City make available to the Treatment Facility, nor shall the Treatment Facility be obligated to handle, any wastewater sludge which is designated a hazardous waste under any applicable law, rule, or regulation, and nothing herein shall relieve the City of any liability or responsibility with respect to any sludge generated at its facilities which is a hazardous waste.
- j. The City will sample and test its final sludge material to identify the metal concentration limits. All City sampling and analytical reports are available upon request during the term of the agreement. Per USEPA sewage sludge regulations (40 CFR Section 503) , sludge is sampled every other month for metals including: arsenic, cadmium, copper, lead, mercury, molybdenum, nickel, selenium, and zinc concentrations.

5. SLUDGE PRODUCTION ESTIMATES

- a. The City produces wastewater sludge twenty-four (24) hours per day, seven (7) days per week resulting in approximately 16,500 to 20,000 wet tons annually, which is approximate to the lowest and highest quarter production rates since January 2020, excluding 2023 first quarter. Note from Exhibit B that 2019 was a year of optimizing the sludge dewatering facility. Though 2019 is pre-pandemic and would seem to be the year for

estimating maximum production values, 2019 is not indicative of current sludge dewatering capabilities and anticipated production quantities. January to March 2023 shows higher tonnage amounts from solids loadings induced by winter storm flows, and they are not used for predicting future maximum sludge production. The estimated sludge below will be divided between two vendors, Lystek and Synagro.

| Dates | Estimated Minimum Sludge Production | Estimated Maximum Sludge Production | Estimated Annual Production Increase |
|---|-------------------------------------|-------------------------------------|--------------------------------------|
| 4/1/24 – 3/30/25 | 16,500 | 20,600 | -- |
| 4/1/25 – 3/30/26 | 16,500 | 21,424 | 4% |
| 4/1/26 – 3/30/27 | 16,500 | 22,281 | 4% |
| 4/1/27 – 3/30/28 | 16,500 | 25,089 | 4% + 1917 tons ¹ |
| 4/1/28 – 3/30/29 | 16,500 | 28,754 | 4% + 2661 tons ¹ |
| ¹ Note: additional sludge production expected with upgraded Secondary Treatment system, which will produce an estimated 34% additional waste activated sludge (WAS) or about 10.2% additional total sludge production beginning on an estimated date of 6/9/2027 | | | |

- b. Production rates may be varied or stopped to match RWQCP operational needs. Operation may also be interrupted occasionally for maintenance or repair.
- c. The amount of biosolids to be treated is an estimate only. Therefore, notice is hereby given that the quantity, content, and nature of the material may change depending on the RWQCP process control changes, process upsets, plant upgrades, repairs, maintenance, operational improvements, belt press dewatering schedule, day of week, holidays, seasonal changes, storm-induced increases in produced solids, changes in community population, treatment plant changes, and so forth.

6. GENERAL RESPONSIBILITIES

- a. The Contractor, as the treatment facility operator, is to know, follow, comply with, and stay updated on all federal, state, and local laws, regulations, statutes, ordinances, orders, decrees, and permits that affect this work. This includes loading and unloading, treatment site operation and maintenance, monitoring and reporting, processing and disposal of sludge, USDOT, transportation, driver and operator certifications, environmental and pollution regulations, noise control, and inspections by authorized representatives as required by such requirements.

Documentation of specific permits, orders, decrees, registrations, and so forth shall be provided upon request. All costs associated with obtaining such permits and licenses shall be considered as included in the unit price. Federal Regulations, including 40CFR Parts 257, 258, 403 and 503, provide specific requirements for biosolids disposal and must be complied with.

- b. Raw sludge contains micro-organisms from the wastewater treatment process that include pathogens. Precautions are required, such as adequate training, wearing proper PPE (e.g., latex or nitrile gloves, boots, etc.), washing hands with soap, and access to potable drinking water and OSHA approved first aid kits. The Contractor is to follow an Exposure Control Plan for Blood Borne Pathogens pursuant to Cal-OSHA rules and California Code of Regulations, Title 8, Section 5193. The Exposure Control Plan is to be on file for review, if requested.

7. DELIVERY SCHEDULE

- a. The RWQCP operates year-round and normally calls for two truck pickups per day, each truck averaging 25 wet tons of sludge. The RWQCP may call for three trucks and sometimes one truck or no trucks. There have been a few instances of four or five trucks called for in one day.
- b. The RWQCP typically requires haulers to load sludge prior to 6:00 a.m. in Palo Alto but trucks may be loaded later in the morning, depending on the situation, haul distance, driver hour limits, and so forth.
- c. Treatment sites that are closed for specific holidays (e.g., Thanksgiving, Christmas, New Years') or when the City's contracted hauler is not working can be accommodated with additional storage capacity at the RWQCP for one day with advanced planning. During the contract term, the Treatment Facility is to coordinate with the City's contracted hauler and the RWQCP about operating status and hours for public holidays.
- d. The Treatment Facility is to share their operating hours with City's contracted hauler. The Treatment Facility is to share holidays that they are closed with City's contracted hauler.

8. COORDINATION WITH CITY'S CONTRACTED SLUDGE HAULER

- a. Permit requirements at treatment site are to be shared with City's contracted hauler upon request by City or hauler at no extra expense to City of Palo Alto.

- b. Any permit requirements are to be directly handled with City's contracted hauler, including for insurance, training, reporting, and other requirements.
- c. The City does not have a certified weigh scale onsite. It is the City's hauler's responsibility to avoid overweight loads and pay any associate fines. The Treatment Facility should directly notify the hauler's dispatcher of overweight loads as well as notify the City's project manager. The City can direct the Hauler to load their trailers with less weight, if needed. There are no RWQCP onsite zones or facilities for unloading excess material to return a truck to a legal weight limit. There is no separate weigh scale onsite to aid the Hauler in how much material to remove.
- d. The RWQCP is not a staging or storage site. The City will not normally allow a hauler to stage or store loaded trucks at the RWQCP or a Treatment Facility, except permission may be granted for unusual circumstances.

9. TREATMENT REQUIREMENTS

- a. If the treatment / disposal facility has a permit violation, they will notify the Palo Alto project manager in writing within 30 days of receipt of written notice. All fines will be paid by the treatment facility and not billed to Palo Alto.
- b. The treatment facility is required to provide adequate space to accommodate the ingress and egress of the trucks and trailers of the City's sludge hauling contractor. The facility will provide water for vehicle clean-up, suitable lighting for nighttime operation, and any additional facilities (portable toilets, handwashing facilities) that may be required.
- c. Treatment facility shall provide an annual summary to the City of all monitoring and analytical data as required to complete the City's Annual Biosolids Generator's Report for the USEPA due February 19th of each year. This annual summary shall be posted by January 31st each year and shall be sent to the Project Manager.
- d. Treatment facility shall provide the name of a 24-hour emergency contact person and phone number. Facility will train their onsite staff and comply with Palo Alto Emergency and Spill Response Plan, as necessary.
- e. City will have right to inspect treatment / disposal facility's site at any time and without prior notification. Treatment facility shall maintain and provide copies to the City of all records, documents, and papers

documenting the disposition of biosolids handled by the facility for inspection by authorized local, state, and federal representatives as required by law.

- f. Neither party shall use the name, marks, or logo of the other treatment facility in any planned advertisement, promotional material, press release, or other planned publicity or marking materials, in any form or media, with regard to the subject matter of the agreement without the prior written approval of the other party.
- g. Treatment parties shall share any requirements and conditions to the City's Palo Alto's contracted Hauler, if not already provided to the current hauler (i.e., Denali). The contracted hauler may change on April 1, 2025 or later, when the current 3-year hauling contract and any contract extensions are completed. If a new hauler is contracted by the City, the Treatment Facility shall promptly coordinate their requirements with the new City hauler.
- h. Annual reports shall be provided to the RWQCP each year detailing tonnage treated and final disposal disposition.
- i. Treatment facility dates, times, hours of operation, and holiday schedules shall be provided to sludge haulers interested in proposing on services to the City of Palo Alto.

10. PAYMENT AND PRICING CONDITIONS

- a. See Attachment C – Contract, Section 8, Invoicing.
- b. Payment for work is to be made on a wet tonnage basis. Weight shall be based on a certified scale.
- c. Except as directed otherwise in these specifications, full compensation for completing Agreement work is considered to be included in the unit prices paid for the various items of work and no separate payment will be made therefore.
- d. Invoicing. Submit a monthly invoice to:

Rwqcp.invoices@cityofpalolato.org

Palo Alto Regional Water Quality Control Plant
Attn: Project Manager, James Allen
2501 Embarcadero Way
Palo Alto, CA 94303

650-329-2598 - phone

Invoice shall include:

- Purchase Order Number
- Item description
- Copy of each load delivery tag along with the tons hauled
- Attached certified weight ticket for each load
- Certified net weight of each load times contract price per ton

11. DOCUMENTATION

- a. The Contractor shall, at all times during the transportation, storage, and disposal of sludge to be managed under this Agreement, know the location, condition and status of each item being managed.

END OF SECTION

EXHIBIT A-1 PALO ALTO SLUDGE CHARACTERISTICS

| 2022 Average Annual Wastewater Sludge Quality Data: 40CFR503 Sludge Regulation Trace Metal Analysis on Sludge | | | | | |
|--|------------------|--------------------------------------|--|----------------------------|---------------------|
| Trace Metals | Dry-Weight Units | 501.13 Ceiling Concentration Table 1 | 501.13 Pollutant Concentration Table 3 | 2022 Average Annual Result | 2017 Single Results |
| Arsenic (As) | mg/kg | 75 | 41 | DNQ 1.29 | -- |
| Antimony (Sb) | mg/kg | -- | -- | -- | ND<19* |
| Barium (Ba) | mg/kg | -- | -- | -- | 50.2* |
| Beryllium (Be) | mg/kg | -- | -- | <0.21 | -- |
| Cadmium (Cd) | mg/kg | 85 | 39 | DNQ 0.46 | -- |
| Chromium (Cr) | mg/kg | -- | -- | 12.0 | -- |
| Cobalt (Co) | mg/kg | -- | -- | -- | ND<2* |
| Copper (Cu) | mg/kg | 4300 | 1500 | 254 | -- |
| Cyanide (CN) | mg/kg | -- | -- | 0.77 | -- |
| Iron (Fe) | mg/kg | -- | -- | -- | 2650* |
| Lead (Pb) | mg/kg | 840 | 300 | 7.08 | -- |
| Mercury (Hg) | mg/kg | 57 | 17 | 0.454 | -- |
| Molybdenum (Mo) | mg/kg | 75 | n/a | 5.27 | -- |
| Nickel (Ni) | mg/kg | 420 | 420 | 11.4 | -- |
| Selenium (Se) | mg/kg | 100 | 100 | 4.83 | -- |
| Silver (Ag) | mg/kg | -- | -- | 1.7 | -- |
| Thallium (Tl) | mg/kg | -- | -- | -- | ND<13* |
| Vanadium (V) | mg/kg | -- | -- | -- | 5.97* |
| Zinc (Zn) | mg/kg | 7500 | 2800 | 493 | -- |
| Total Solids | % | -- | -- | 29.6 | -- |

* Sampled 2/9/17 on 27% sludge cake

| February 17, 2017 Scum Quality Data: 40CFR503 Sludge Regulation Trace Metal Analysis on Scum | | | | | |
|--|------------------|--------------------------------------|--|---------|--|
| Trace Metals | Dry-Weight Units | 501.13 Ceiling Concentration Table 1 | 501.13 Pollutant Concentration Table 3 | Result | |
| Arsenic (As) | mg/kg | 75 | 41 | ND | |
| Beryllium (Be) | mg/kg | -- | -- | ND | |
| Cadmium (Cd) | mg/kg | 85 | 39 | 0.14 | |
| Chromium (Cr) | mg/kg | -- | -- | 3.1 | |
| Copper (Cu) | mg/kg | 4300 | 1500 | 30 | |
| Lead (Pb) | mg/kg | 840 | 300 | 1.28 | |
| Mercury (Hg) | mg/kg | 57 | 17 | <0.0397 | |
| Molybdenum (Mo) | mg/kg | 75 | n/a | 1.7 | |
| Nickel (Ni) | mg/kg | 420 | 420 | 1.9 | |
| Selenium (Se) | mg/kg | 100 | 100 | <0.83 | |
| Zinc (Zn) | mg/kg | 7500 | 2800 | 100 | |
| Total Solids | % | -- | -- | 30.0 | |

| General Raw Sludge Characterization | | | |
|--|------------------|-------------------|----------------------------|
| Trace Metals | Dry-Weight Units | Result | Sample date, comment |
| Total Kjeldahl Nitrogen (TKN) | mg/kg | 44,000; 10,000 | 2/7/17 (25% cake); 2/9/17 |
| Organic Nitrogen (25% sludge cake) | mg/kg | 38,000 | 2/7/17 |
| Ammonia-Nitrogen (25% sludge cake) | mg/kg | 5,600 | 2/7/17 |
| Grit Analysis: total residual solids in 30% sludge cake | % | 0.52% | 2/9/17 (dried at 103-105C) |
| Primary sludge volatile solids concentration | % | 89% | 2/7/13 |
| Waste activated sludge (WAS) volatile solids concentration | % | 80% | Typical value |
| Ratio Primary / Total Sludge | % | 71 – 78% | 2013 value |
| Ratio WAS / Total Sludge | % | 22 – 29% | 2013 value |
| Primary Sludge BTU Content – Dry | BTU/lb | 8000 | 8/21/12 ASTM D5865-07a |
| WAS BTU Content – Dry | BTU/lb | 7400 | 8/21/12 ASTM D5865-07a |

EXHIBIT B
SCHEDULE OF PERFORMANCE

Alternative 1.

☒ CONTRACTOR shall perform the Services according to the following schedule:

Daily sludge treatment from April 1, 2024 to March 31, 2029.

EXHIBIT C SCHEDULE OF FEES

☒ **ALTERNATIVE 3. Compensation based upon fee schedule**

CITY shall pay CONTRACTOR according to the following rate schedule. The maximum amount of compensation to be paid to CONTRACTOR, including both payment for services and reimbursable expenses, shall not exceed the amounts set forth in Sections 5 and 6 of the Agreement. Any services provided or hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY.

DETAILED RATE SCHEDULE

| Contract Start | Contract End | Synagro Unit Price (\$ / US Wet Ton) | Synagro Annual Adjustment Factor |
|-----------------------|---------------------|---|---|
| 04/01/24 | 03/30/25 | \$ 68.00 | |
| 04/01/25 | 03/30/26 | \$ 72.08 | 4.8% |
| 04/01/26 | 03/30/27 | \$ 76.40 | 4.8% |
| 04/01/27 | 03/30/28 | \$ 80.99 | 4.8% |
| 04/01/28 | 03/30/29 | \$ 85.85 | 4.8% |

EXHIBIT D INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH AM BEST'S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

| REQUIRED | TYPE OF COVERAGE | REQUIREMENT | MINIMUM LIMITS | |
|------------|---|--|-----------------|-------------|
| | | | EACH OCCURRENCE | AGGREGATE |
| YES YES | WORKER'S COMPENSATION EMPLOYER'S LIABILITY | STATUTORY STATUTORY | | |
| YES | GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY | BODILY INJURY | \$2,000,000 | \$2,000,000 |
| | | PROPERTY DAMAGE | \$2,000,000 | \$2,000,000 |
| | | BODILY INJURY & PROPERTY DAMAGE COMBINED. | \$2,000,000 | \$2,000,000 |
| YES | AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED | BODILY INJURY | \$2,000,000 | \$2,000,000 |
| | | - EACH PERSON | \$2,000,000 | \$2,000,000 |
| | | - EACH OCCURRENCE | \$2,000,000 | \$2,000,000 |
| | | PROPERTY DAMAGE | \$2,000,000 | \$2,000,000 |
| | | BODILY INJURY AND PROPERTY DAMAGE, COMBINED | \$2,000,000 | 2,000,000 |
| NO | PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE | | | |
| | | ALL DAMAGES | \$2,000,000 | |
| YES | POLLUTION LIABILITY | ALL DAMAGES | \$2,000,000 | |
| YES | THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSURED CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES. | | | |

I. INSURANCE COVERAGE MUST INCLUDE:

A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR'S AGREEMENT TO INDEMNIFY CITY.

II. CONTRACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSURED"

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSURED.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURED UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSURED, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.
2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

NOTICES SHALL BE MAILED TO:

**PURCHASING AND
CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303**