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**AGREEMENT
FOR
DEWATERING, PROCESSING, HAULING AND DISPOSAL OF BIOSOLIDS**

THIS AGREEMENT FOR DEWATERING, PROCESSING, HAULING AND DISPOSAL OF BIOSOLIDS ("Agreement") is made on the Countersignature Date by and between the **CITY OF HOUSTON, TEXAS** ("City"), a municipal corporation and home-rule city of the State of Texas principally situated in Harris County, acting by and through its governing body, the City Council and **SYNAGRO OF TEXAS-CDR, INC.** ("Synagro"), a Texas Corporation, doing business in the State of Texas.

RECITALS

WITNESSETH:

WHEREAS, the City issued a Request for Proposal for the hauling and disposal of biosolids and operation and maintenance of certain facilities on or about March 2, 2007; and

WHEREAS, Synagro has offered the City the most advantageous and best proposal; and

WHEREAS, the parties are agreeable to entering into this Agreement for the dewatering, hauling and disposal of biosolids and operation and maintenance of certain facilities.

NOW, THEREFORE, the parties agree as follows:

The initial addresses of the parties, which one party may change by giving written notice of its changed address to the other party, are as follows:

City
Wastewater Operations
Department of Public Works and
Engineering
City of Houston
P.O. Box 1562
Houston, Texas 77251
Attn: Wastewater Operations Manager

Synagro
Synagro of Texas-CDR, Inc.
1800 Bering Dr.
Suite 1000
Houston, Texas 77057
Attn: General Counsel

The City and Synagro hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

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EXHIBIT "G" - DRUG POLICY COMPLIANCE DECLARATION

All of the above described sections and documents are hereby incorporated into this Agreement by this reference for all purposes.

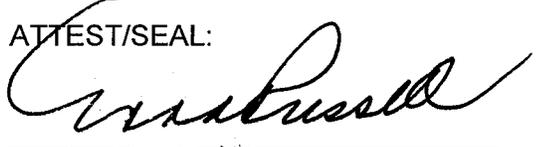
In the event of any conflict or inconsistency between or among the provisions of such sections or documents, it is agreed that the sections of this Agreement shall control over the provisions of the Exhibits.

IN WITNESS HEREOF, the City and Synagro have made and executed this Agreement in multiple copies, each of which is an original.

ATTEST/SEAL:

By: 
Name: Thomas J. Bintz
Title: Assistant Secretary

ATTEST/SEAL:


City Secretary

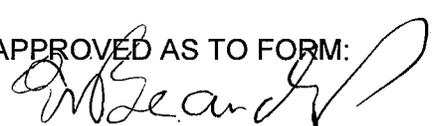
APPROVED:


Director, Department of Public Works and Engineering *HT*

APPROVED


City Purchasing Agent

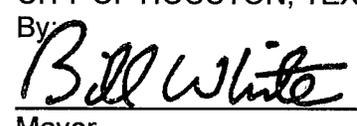
APPROVED AS TO FORM:


Sr. Assistant City Attorney
L.D. File No. 0800700100001

SYNAGRO OF TEXAS-CDR, INC.

By: 
Name: Robert C. Boucher
Title: President

CITY OF HOUSTON, TEXAS

By:  
Mayor

COUNTERSIGNED BY: 

City Controller 

DATE COUNTERSIGNED:

2-21-08

I. DEFINITIONS

As used in this Agreement, the following terms shall have meanings set out below:

"City" is identified in the Preamble hereof.

"City Purchasing Agent" means the Purchasing Agent for the City of Houston or the person he or she designates.

"Contract Administrator" means the Senior Assistant Director, Wastewater Operations or such other person as may be designated by the Senior Assistant Director to serve as "Contract Administrator" during the Agreement Term.

"Agreement" means this document.

"Agreement Term" is defined in Article IV.

"Biosolids" means stabilized sewage sludge that meets all requirements for land application. Biosolids do not include any Hazardous Waste and must be suitable for land application under all applicable laws.

"Dilute Solids" shall mean non-hazardous wastewater that has been dewatered at City's expense to between 0.5% to 5% solids. Dilute Solids do not include any Hazardous Waste.

"Director" means the Director of the City's Department of Public Works and Engineering.

"End-Dump Trailer" shall mean a semi-trailer whose tractor-end can be raised so that the material in the trailer can slide out through the tailgate.

"Force Majeure" is defined in Article V.

"Hazardous Waste" means any material supplied by the City to Synagro, which is defined or listed as "hazardous" according to federal or Texas law, rule or regulation.

"Landfill" means a state permitted facility permitted to receive non-hazardous solids, biosolids or heat-dried biosolids for permanent disposal.

"Original Allocation" is defined in Article III.

"Roll-on / Roll-off Container" shall mean a truck transportable container which can hold at least 26 cubic yards of biosolids within its outside dimensions.

"Solids" shall mean non-hazardous wastes that collect in the City's wastewater facilities that are neither Biosolids, nor Dilute Solids, including sand and grit, floating debris and other solid material.

"Stabilized" means treated by a process to cause the biosolids to meet the requirements of Class A or Class B under Section 503 of Title 40 of the Code of Federal Regulations and under the applicable sections of Texas Administrative Code 312.

"Synagro" is identified in the Preamble hereof.

"The Capture Rate" shall be calculated as follows:

$$\% \text{ capture rate} = 100 \times (1 - \text{dry filtrate or centrate solids per minute} \div \text{dry feed solids per minute})$$

"TCEQ" means Texas Commission on Environmental Quality.

"Ton" means 2,000 pounds avoirdupois and is determined by subtracting the tare weight of the trailer from the weight determined by City scales or certified public scales.

"Unspent Funds" is defined in Article III.

II. DUTIES OF SYNAGRO

A. Disposal of Biosolids

Synagro shall provide biosolids services as described in Exhibit A.

B. Addition/Deletion

The City Administrator may add and/or delete plants from the scope of services under this Agreement by giving notice to Synagro; however, Synagro shall be allowed a reasonable period, not to exceed 30 days, to begin serving the additional plants. Provided, however, the City acknowledges that this is intended to be an exclusive contract for the hauling, beneficial reuse and/or disposal of the City's Class B Biosolids. The City agrees that it will not contract with another party to perform the services described under this Agreement with reference to Class B Biosolids, except with the written consent of Synagro.

C. Payment of Subcontractors

Synagro shall make timely payments to all persons and entities supplying labor, materials, or equipment for the performance of this Agreement. **SYNAGRO SHALL DEFEND AND INDEMNIFY THE CITY FROM ANY CLAIMS OR LIABILITY ARISING OUT OF SYNAGRO'S FAILURE TO MAKE THESE PAYMENTS.** Synagro shall submit disputes relating to payment of MWBE subcontractors to arbitration in the same manner as any other disputes under the MWBE subcontract.

D. INDEMNIFICATION BY SYNAGRO

SYNARGO AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY

SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, TO THE EXTENT CAUSED BY:

1. SYNAGRO'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS; OR
2. SYNAGRO'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER SYNAGRO IS IMMUNE FROM LIABILITY OR NOT.

THIS INDEMNITY PROVISION SHALL HAVE NO APPLICATION TO ANY CLAIM OR DEMAND (1) TO THE EXTENT SUCH BODILY INJURY, DEATH, DAMAGE OR MONETARY FINE RESULTS FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY OR (2) WHERE SUCH BODILY INJURY, DEATH, DAMAGE OR MONETARY FINE RESULTS FROM THE DELIVERY OF NON-CONFORMING BIOSOLIDS OR HAZARDOUS WASTE BY THE CITY TO SYNAGRO.

SYNAGRO SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. SYNAGRO'S INDEMNIFICATION IS LIMITED TO \$1,000,000 PER OCCURRENCE. SYNAGRO SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S OWN NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. IT IS AGREED THAT SYNAGRO'S INDEMNIFICATION AND DEFENSE OBLIGATION SHALL BE SATISFIED BY AND NOT EXTEND BEYOND THE COVERAGE AFFORDED BY SYNAGRO'S LIABILITY POLICIES AS DESCRIBED BELOW.

E. INDEMNIFICATION PROCEDURES

1. Notice of Claims. If the City or Synagro receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 10 days. The notice must include the following:

- (a) a description of the indemnification event in reasonable detail,
- (b) the basis on which indemnification may be due, and
- (c) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 10 day period, it does not waive any right to indemnification except to the extent that Synagro is prejudiced, suffers loss, or incurs expense because of the delay.

2. Defense of Claims

(a) Assumption of Defense. Synagro may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Synagro shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Synagro must advise the City as to whether or not it will defend the claim. If Synagro does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss. All payments made by Synagro are subject to the payment cap in Paragraph (D) (2) above.

(b) Continued Participation. If Synagro elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Synagro may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply

with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Synagro does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

F. Insurance.

Synagro shall maintain in effect certain insurance coverage, which is described as follows:

1. Risks and Limits of Liability. Synagro shall maintain the following coverages and limits of liability:

<u>(Coverage)</u>	<u>(Limit of Liability)</u>
Workers's Compensation	Statutory for Worker's Compensation
Employer's Liability	Bodily Injury by accident \$500,000 (each accident) Bodily Injury by Disease \$500,000 (policy limit) Bodily Injury by Disease \$500,000 (each employee)
Commercial General Liability: Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations	Bodily Injury and Property Damage, Combined Limits of \$1,000,000 each Occurrence and \$4,000,000 aggregate
Automobile Liability Insurance (for vehicles Synagro uses in performing under this Agreement, including Employer's Non-Ownership and Hired Auto Coverage)	\$1,000,000 combined single limit
Environmental Liability (including Pollution Liability)	\$3,000,000 combined single limit per occurrence

Defense costs are excluded from the face amount of the policy.
Aggregate Limits are per 15-month policy period unless otherwise indicated.

2. Form of Policies. The Director may approve the form of the insurance policies, but nothing the Director does or fails to do relieves Synagro from its duties to provide

the required coverage under this Agreement. The Director's actions or inactions do not waive the City's rights under this Agreement.

3. Issuers of Policies. The issuer of any policy (1) shall have a Certificate of Authority to transact insurance business in Texas or (2) shall be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide.
4. Insured Parties. Each policy, except those for Workers Compensation, Employer's Liability, and Professional Liability, must name the City (and its officers, agents, and employees) as Additional Insured parties on the original policy and all renewals or replacements.
5. Deductibles. Synagro shall be responsible for and pay any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against the City, its officers, agents, or employees.
6. Cancellation. Each policy must state that it may not be canceled, the policy limits materially modified, or nonrenewed unless the insurance company gives the Director 30 days advance written notice (10 days for nonpayment of premium). Synagro shall give written notice to the Director within five days of the date on which total claims by any party against Synagro reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.
7. Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees.

8. Endorsement of Primary Insurance. Each policy, except Worker's Compensation and Professional Liability (if any), must contain an endorsement that to the extent of Synagro's negligence or willful misconduct the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.
9. Liability for Premium. Synagro shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.
10. Subcontractors. Synagro shall require all subcontractors to carry insurance naming the City as an additional insured and meeting all of the above requirements except amount. The amount must be commensurate with the amount of the subcontract, but in no case less than \$500,000 per occurrence. Synagro shall provide copies of insurance certificates to the Director.
11. Proof of Insurance.
 - (a) On the Effective Date and at any time during the Term of this Agreement, Synagro shall furnish the Director with Certificates of Insurance, along with an Affidavit from Synagro confirming that the Certificates accurately reflect the insurance coverage maintained. If requested by the Director, Synagro shall provide the City with certified copies of Synagro's actual insurance policies for inspection at Synagro's corporate office.
 - (b) Synagro shall continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Synagro does not comply with this requirement, the Director, at his or her sole discretion, may:
 - (1) immediately suspend Synagro from any further performance under this Agreement and begin procedures to terminate for default, or

- (2) purchase the required insurance with City funds and deduct the cost of the premiums from amounts due to Synagro under this Agreement.

The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

12. Other Insurance. If requested by the Director, Synagro shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Synagro's operations under this Agreement.

G. Compliance with Equal Opportunity Ordinance

Synagro shall comply with all provisions of the City's Equal Employment Opportunity Ordinance as set out in Exhibit "C".

H. MWBE Compliance

Synagro agrees to comply with the City's Minority and Women Business Enterprise programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances insofar as such programs apply to this Agreement. Synagro further agrees that it will make good faith efforts to award subcontracts or supply agreements in at least 12% of the value of this Agreement to Minority and Women-owned Business Enterprises certified by the City's Affirmative Action Division. In addition, Synagro acknowledges that it has reviewed the requirements for good faith efforts that are on file with the City's Affirmative Action Division and Synagro acknowledges that it has reviewed and is familiar with such requirements and will comply with them.

Synagro shall require all written subcontracts with all MWBE subcontractors and suppliers contain the terms set out in Exhibit "D".

I. Performance Bond

Synagro shall furnish a performance bond for ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) conditioned upon Synagro's full and timely performance of the Agreement. The bond must be issued in a form approved by the City Attorney and by a corporate surety listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department.

J. Drug Detection and Deterrence

1. It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. By executing this Agreement, Synagro represents and certifies that it meets and shall comply with all the requirements and procedures set forth in the Mayor's Policy on Drug Detection and Deterrence, City Council Motion No. 92-1971 ("Mayor's Policy") and the Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), both of which are on file in the Office of the City Secretary.
2. Confirming its compliance with the Mayor's Policy and the Executive Order, Synagro, as a condition precedent to City's obligations under this Agreement, will have filed with the Agreement Compliance Officer for Drug Testing ("CCODT"), prior to the execution of this Agreement by the City, (i) a copy of its drug-free workplace policy, (ii) the Drug Policy Compliance Agreement substantially in the format set forth in Exhibit "E", together with a written designation of all safety impact positions and, (iii) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the format set forth in Exhibit "F". If Synagro files a written designation of safety impact positions with its Drug Policy Compliance

Agreement, it also shall file every six (6) months during the performance of this Agreement or upon the completion of this Agreement if performance is less than six (6) months, a Drug Policy Compliance Declaration in a form substantially similar to Exhibit "G". The Drug Policy Compliance Declaration shall be submitted to the CCODT within thirty (30) days of the expiration of each six (6) month period of performance and within thirty (30) days of completion of this Agreement. The first six (6) month period shall begin to run on the date City issues its notice to proceed hereunder or if no notice to proceed is issued, on the first day Synagro begins work under this Agreement.

3. Synagro shall have the continuing obligation to file with the CCODT written designations of safety impact positions and Drug Policy Compliance Declarations at any time during the performance of this Agreement that safety impact positions are added if initially no safety impact positions were designated. Synagro also shall have the continuing obligation to file updated designations of safety impact positions with the CCODT when additional safety impact positions are added to Contractor's employee work force.
4. Synagro shall require that its subcontractors hereunder comply with the Mayor's Policy and the Executive Order and Synagro shall be responsible for securing and maintaining the required documents for City inspection throughout the term of this Agreement.
5. The failure of Synagro to comply with the above Sections shall be a breach of this Agreement entitling City to terminate in accordance with Article IV.

K. Relations with Public and Governmental Agencies

Synagro shall provide public relations activities at least two times per year and at other times when needed to respond to public protests and/or meetings. Synagro must provide

personnel to attend meetings of governmental agencies considering issues related to the activities of Synagro when requested by the Contract Administrator.

1. Synagro shall immediately forward copies of all complaints received by Synagro regarding services performed under this contract to the Contract Administrator for review.
2. Synagro shall promptly correct any and all legitimate deficiencies in its services as to be provided pursuant to this Agreement, whether to equipment or personnel, in response to these complaints as reasonably is warranted. The cost of correcting or responding to any complaint will be solely at the expense of Synagro.

III. DUTIES OF CITY

A. Cost of Services

1. The costs of services are shown on Exhibit "B".

B. Monthly Accounting and Payment

1. Within 10 work days after the end of each month of the Agreement Term, Synagro shall provide the Contract Administrator an accounting of all charges owed by the City to Synagro under the Agreement. The accounting shall provide back-up documentation such as copies of trip manifests and certified weight measurements (when required), a description of services performed by Synagro, and original invoices and other documentation required by the Contract Administrator for payments for services for a Change of Law. The City shall make monthly payment to Synagro within 30 days of receipt by the City Representative of a complete Synagro accounting as described herein. Approval of payment shall not be unreasonably withheld.

2. Any payments required to be made hereunder by either party which are not made within the time required hereunder shall carry a service charge of 1% for each month or a fraction thereof during the period of delinquency.

C. Limit of Appropriation - Allocated Funds

1. The City's duties to pay money to Synagro for any purpose under this Agreement are limited in their entirety by the provisions of this Section.
2. In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated a total of \$2,000,000.00 under the Original Agreement to discharge its duties to pay money under this Agreement (the "Original Allocation"). The parties recognize that the executive and legislative officers of the City, in the exercise of their sound discretion, may allocate supplemental sums of money under this Agreement. Because the City's officers are not obligated to make any such supplemental allocations, the parties have agreed to certain procedures and remedies to be followed with respect thereto.
3. A supplemental allocation will only be deemed to be made when the City sends a notice to Synagro (which notice must be signed by the Director and the City Controller) in substantially the following form:

"NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS"

TO: Synagro of Texas-CDR, Inc. ("Synagro")

FROM: City of Houston, Texas (the "City")

DATE: [Date of notice]

SUBJECT: Supplemental allocation of funds for the purpose of that certain Agreement for Dewatering, Processing, Hauling and Disposal of

Biosolids by and between the City and Synagro countersigned by the City Controller on (Date of Countersignature) (the "Agreement").

I, (name of City Controller), City Controller of the City of Houston, do hereby certify that the supplemental sum of \$_____, upon the request of the below-signed Director, has been allocated for the purpose of the Agreement specified above out of funds appropriated for such purpose by the City Council of the City of Houston. Such supplemental allocation has been charged to such appropriation.

The aggregate of all sums allocated for the purpose of such Agreement, including the Original Allocation, other supplemental allocations (if any) and the supplemental sum specified herein, as of the date of this notice, is \$_____.

SIGNED:

(Signature of the City Controller)
City Controller of the City

REQUESTED:

(Signature of the Director)
Director

City Council hereby expressly delegates to the Director the authority to approve up to \$26,250,000.00 in supplemental allocations for this Agreement without the need to return to Council. Supplemental allocations in excess of this amount, however, shall be approved by Council motion, or amendment of this Agreement.

4. The aggregate of the Original Allocation and all supplemental allocations effected by notice to Synagro in substantially the foregoing form, if any, shall be the Allocated Funds. The City shall never be obligated to pay any money by, through or under this Agreement in an aggregate amount which exceeds the level of the Allocated Funds. It shall be the obligation of Synagro to assure itself that sufficient allocations have been made to pay for services provided. In the event that Allocated Funds are exhausted, Synagro's only remedy shall be suspension or termination of its performance under this

Agreement, and it shall have no other remedy in law or equity against the City and no right to damages of any kind.

E. Suspension of Performance - Synagro's Right

1. From time to time, Synagro may, at its option, compute the unspent portion of the Allocated Funds (the "Unspent Funds") according to the following formula:

$$A - (B + C) = \text{Unspent Funds as of such time.}$$

In the foregoing formula:

"A" is the level of Allocated Funds as of such time.

"B" is the aggregate of all Agreement Charges actually paid by the City by, through or under this Agreement prior to such time.

"C" is the aggregate of all Agreement Charges which have accrued prior to such time by, through or under this Agreement but which have not been actually paid.

2. The City shall, upon written request by Synagro, provide an accounting of the data necessary to compute the Unspent Funds as such data are shown on the books and records of the City.
3. If, as of any such time when a computation is made, the level of the Unspent Funds is less than \$800,000.00, then Synagro shall be entitled to suspend its performance under this Agreement by notifying the City at least thirty days prior to the effective date of the suspension. Such effective date must be specified in Synagro's notice to the City. After such notice is given, Synagro may, in its sole discretion, extend such effective date to any later date by so notifying the City.
4. After any notice of suspension is given and prior to the specified effective date, the City may prevent the suspension from taking effect by notifying Synagro as to one or more supplemental allocations in an aggregate amount

sufficient to raise the level of the Unspent Funds to at least \$300,000.00 (computed as of the dispatch of such notice of Supplemental Allocation). Whenever such a sufficient notice of Supplemental Allocation is given, the preceding notice of suspension shall lose its effectiveness and shall be treated as if it were never given.

5. If prior to the specified effective date of any such suspension, the City fails to prevent such suspension from taking effect, then Synagro shall be entitled to suspend its performance under this Agreement as of the effective date. The City shall then be obligated to pay to Synagro the lesser of the following: (i) the Agreement Charges accrued prior to such suspension date, less any allowable credits and offsets, or (ii) the Unspent Funds as of the date of suspension.
6. Suspension and payment, as specified in this Section, shall be Synagro's exclusive remedies in the event that the City fails or refuses to make the supplemental allocations necessary to prevent suspension of performance by Synagro. No such failure or refusal shall constitute a default or breach of this Agreement by the City, and Synagro waives any claim (other than its claim for payment as specified in this Section) it may have now or in the future for financial losses or other damages which may be occasioned by any such failure or refusal.

F. Risk Assumption for Hazardous Waste and Non-Stabilized Biosolids

The parties agree that despite the City's best efforts, it may deliver to Synagro Hazardous Wastes or Non-Stabilized Biosolids. In the event the City does deliver Hazardous Wastes or Non-Stabilized Biosolids to Synagro: (i) Synagro shall not be regarded as the owner of or as having taken title to the Hazardous Waste or Non-Stabilized Biosolids or any products resulting therefrom; (ii) Synagro shall have the right to return to the City the Hazardous Waste or Non-Stabilized Biosolids; (iii) Synagro shall have no responsibility for handling or disposal of the Hazardous Waste or Non-Stabilized Biosolids except to follow reasonable and lawful instructions which shall promptly be given by the Contract Administrator for handling and disposal services for which Synagro shall be paid a fair and reasonable compensation; and (iv) the City shall be liable for all costs for all suits, claims, damages, losses and expenses (including but not limited to reasonable attorneys' fees) caused by, arising out of, resulting from or incidental to the delivery to Synagro of Hazardous Waste or Non-Stabilized Biosolids. An exception to this risk allocation is where the Contract Administrator directs that Non-Stabilized Biosolids be taken to a landfill.

G. Increased Costs due to Change in Law

In the event there is a change of law or regulations after the Countersignature of this Agreement, and such change has a significant impact on its cost of providing service to the City, Synagro may notify the Director in writing requesting that Synagro be compensated on the basis of actual cost, plus reasonable profit and overhead not to exceed in aggregate 15% of the increased cost. Subject to the requirements of this Article regarding Allocated Funds, the City shall pay such increased cost to Synagro upon a reasonable demonstration to the City by Synagro

showing the increased costs, which shall be calculated retroactively back to the date Synagro became compliant with such changed law.

H. Relations with Public and Governmental Agencies

The City and Synagro will work together to support and defend beneficial use of biosolids through land application.

IV. TERM AND TERMINATION

A. Agreement Term

This Agreement shall become effective on the date of countersignature by the City Controller, and shall remain in effect until the fifth anniversary of countersignature unless sooner terminated as provided for in this Agreement.

B. Termination for Convenience by City

The City Purchasing Agent may terminate this Agreement at any time by giving 90 days written notice to Synagro. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future.

On receiving notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement.

C. Default and Termination

In the event of the breach by either party of any obligation under this Agreement, the non-breaching party shall have the right to terminate this Agreement by the following procedure described in this Section.

Either party may terminate its performance under this Agreement if the other party defaults and fails to cure the default after receiving notice of it. Default occurs if a party fails to perform one or more of its material duties under this Agreement. If a

default occurs, the injured party shall deliver a written notice to the defaulting party describing the default and the proposed termination date. The date must be at least 30 days after the defaulting party's receipt of the notice. The injured party, at its sole option, may extend the proposed termination date to a later date. If the defaulting party cures the default before the proposed termination date, the proposed termination is ineffective. If the defaulting party does not cure the default before the proposed termination date, the injured party may terminate its performance under this Agreement on the termination date. The Director shall request the City Purchasing Agent to notify the Contractor of a default and to effect termination.

V. MISCELLANEOUS

A. Independent Contractor

Synagro agrees to perform the required services as an independent contractor and not as a subcontractor, agent or employee of the City.

B. Force Majeure

"Force Majeure" means:

1. acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of a public enemy, wars, blockades, insurrections, riots or civil disturbances;
2. orders or judgments of any federal, state or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;
3. power failure and outages affecting the Premises; and
4. any other similar cause or event, provided that the foregoing is beyond the reasonable control of the party claiming Force Majeure.

If, because of Force Majeure any party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, then such party shall give to the other party prompt written notice of the Force Majeure with reasonable full details concerning it; thereupon the obligation of the party given the notice, so far as they are affected by the Force Majeure, shall be suspended during, but no longer than, the continuance of the Force Majeure. The affected party shall use all possible diligence to remove the Force Majeure as quickly as possible.

C. Severability

In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either Synagro or the City in their respective rights and obligations contained in the valid terms, covenants or conditions hereof.

D. Entire Agreement

This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are not other agreements, assurances, conditions, covenants (expressed or implied) or other terms with respect to the subject matter hereof whether written or verbal, antecedent or contemporaneous, with the execution hereof.

E. Written Amendment

Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of the City (by authority of an ordinance duly adopted by the City Council) and Synagro. The Director or the City Representative is only authorized to perform the functions specifically delegated to him or her in this Agreement.

F. Applicable Laws

This Agreement is subject to all laws of the State of Texas, the City Charter and Ordinances of the City of Houston, the laws of the federal government of the United States of America and all rules and regulations of any regulatory body or officer having jurisdiction, including the City's Charter and Code of Ordinances.

Venue for any litigation relating to this Agreement shall be Harris County, Texas.

G. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address prescribed in the preamble of this Agreement or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

H. Captions

Captions contained in this Agreement are for reference purposes only, and therefore will be given no effect in construing this Agreement and or not restrictive of the subject matter of any section of this Agreement. Any reference to gender shall include the masculine, feminine and neutral.

I. Acceptance and Approval

An approval by the Director, or by any other instrumentality of the City, of any part of Synagro's performance shall not be construed to waive compliance with this Agreement or to establish a standard of performance other than required by this Agreement or by law. The Director is not authorized to vary the terms of this Agreement.

J. Enforcement

The City Attorney or his or her designee shall have the right to enforce all legal rights and obligations under this Agreement without further authorization. Synagro covenants to provide to the City Attorney all documents and records that the City Attorney deems necessary to assist in determining Synagro's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

K. Assignment

Synagro shall not assign this Agreement at law or otherwise or dispose of all or substantially all of its assets without the Director's prior written consent. Nothing in this clause, however, prevents the assignment of accounts receivable or the creation of a security interest as described in §9.406 of the Texas Business & Commerce Code. In the case the assignment is approved, Synagro shall immediately furnish the Director with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the Assignee.

Synagro shall not delegate any portion of its performance under this Agreement without the Director's prior written consent.

L. CONTRACTOR DEBT

IF SYNAGRO, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT SYNAGRO HAS INCURRED A DEBT, SHE SHALL IMMEDIATELY NOTIFY SYNAGRO IN WRITING. IF SYNAGRO DOES NOT PAY THE DEBT

WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FROM ANY PAYMENTS OWED TO SYNAGRO UNDER THIS AGREEMENT. SYNAGRO SHALL FILE A NEW AFFIDAVIT OF OWNERSHIP, USING THE FORM DESIGNATED BY CITY, BETWEEN FEBRUARY 1 AND MARCH 1 OF EVERY YEAR DURING THE TERM OF THIS AGREEMENT.

M. Pay or Play

The requirements and terms of the City of Houston Pay or Play program, as set out in Executive Order 1-7, are incorporated into this Agreement for all purposes. Synagro has reviewed Executive Order No. 1-7 and shall comply with its terms and conditions as they are set out at the time of City Council approval of this Agreement.

N. No Special Damages

In no event shall either Party be liable to the other Party for indirect, special, incidental, punitive, or consequential damages (including without limitation, damages resulting from loss of profits, data, or records), even if such Party has been notified of the possibility or likelihood of such damages.

EXHIBIT "A"

SCOPE OF WORK

DEWATERING, PROCESSING, HAULING, AND DISPOSAL OF BIOSOLIDS SERVICES

Synagro of Texas-CDR, Inc. ("Synagro") will provide services for dewatering, processing, hauling and disposal of Biosolids produced at City of Houston Wastewater Treatment Plants 24 hours per day / 7 days per week / 365 days per year (366 days during a leap year) as required. These services must meet or exceed all requirements of the Environmental Protection Agency ("EPA") and the Texas Commission on Environmental Quality ("TCEQ") (formerly Texas Natural Resources Conservation Commission ("TNRCC")) as well as local regulations governing these activities.

1.0 GENERAL

- 1.1. The requested services are loosely grouped as shown below.
 - 1.1.1. Contractor shall provide Hauling and Disposal of Biosolids for City of Houston Wastewater Treatment Plants, as generally described in Tables I and II, and shall furnish all labor and equipment necessary to operate onsite transfer pumps, dewatering system, and haul and dispose of wastewater treatment plant sludge from the Intercontinental Airport Wastewater Treatment Plant (IAWWTP), 2450 Rankin Road.
 - 1.1.2. The Contractor shall furnish all labor and equipment necessary to operate onsite sludge thickeners, transfer pumps, dewatering system, and haul and dispose of wastewater treatment plant sludge from the Sims Bayou Wastewater Treatment Plant (SBWWTP), 9500 Lawndale.
 - 1.1.3. As requested by the Contract Administrator, Contractor shall capture, store, and dispose of heat-dried Biosolids from the 69th Street facility (2525 S/Sgt. Macario Garcia) and the Almeda Sims facility (12319½ Almeda Road).
 - 1.1.4. Contractor shall provide services to remove sand, grit, rags, scum, and other debris from wastewater facilities.
 - 1.1.5. As requested, Contractor may provide additional services for the City including, but not limited to, hauling, clean-out, dewatering, and other processing, equipment, operations and/or maintenance services. Any such additional services may be clarified in attachments to this Exhibit A with corresponding fee schedules attached to Exhibit B.
- 1.2. All dewatering, sludge hauling, and disposal operations shall be performed in compliance with all applicable statutes and regulations which shall include, but not be limited to, federal, state, county, and local regulations.
- 1.3. **Contractor shall perform Work in a manner, which minimizes disruption of the operation of any wastewater treatment plants and maintains continuous operation of existing facilities. The City will not allow inaction or action by the Contractor that could jeopardize the operation of any City plant.**

- 1.4. The quantity of treated sludge will vary from day to day, month to month, and year to year. The amount of sludge the Contractor may be asked to handle may vary depending on various factors including, but not limited to, influent water turbidity, chemical dosages, treated water flow capacity, and equipment failure.
- 1.5. The quantity of hauling and disposal of Biosolids will also vary from day to day, month to month, and year to year. The quantities may vary depending upon the actual needs of the user departments. **There are no minimum/maximum quantities of hauling and disposal of Biosolids guaranteed under this contract.**
- 1.6. There will be instances when the Contract Administrator will request the movement of a trailer and/or the disposal of the trailer contents before the trailer contents are completely full.
- 1.7. The Contractor is responsible for finding and arranging for land application (sites) and alternative sites for adverse weather and for obtaining a permit if a land application site does not already have one. The Contractor must ensure that any land application site or landfill is compliant with all federal, state and local regulations pertaining to services required.
- 1.8. The Contractor will be required to exchange information electronically between the Contractor and the City in a format that is compatible with Microsoft Office software. It will be solely the Contractor's responsibility to facilitate this electronic exchange. If requested, the Contractor will also provide the information via paper. Any costs incurred by the Contractor will be at no additional cost to the City.
 - 1.8.1. At a minimum, Contractor shall furnish a monthly progress report to the Plant Manager by the 10th business day of the following month. The report shall include, but is not limited to:
 - all data required for federal, state, and local reports,
 - monthly invoices by plant with dates,
 - number of trucks/bins hauled
 - quantities hauled in tons,
 - destination and their TCEQ permit numbers
 - manifests numbers
 - tractor numbers, trailer numbers
 - total loads, and total cost
- 1.9. Original load manifests (paper only). (See Section 8.0 Delivery Tickets)
- 1.10. Other reports may also be required on a routine or as needed basis. The City will not be charged an additional fee for these services.
- 1.11. Contractor shall insure that copies of back-up documents and manifests are properly completed, fully and legibly executed with correct information and dates.
- 1.12. The Contractor must make a reasonable effort to cooperate with City of Houston construction, service, or supply contractors as well as City of Houston customers.

2.0 DEFINITIONS

- 2.1. End-Dump Trailer shall mean a semi-trailer whose tractor-end can be raised so that the material in the trailer can slide out through the tailgate.
- 2.2. Roll-on / Roll-off Container shall mean a truck transportable container which can hold at least 26 cubic yards of biosolids within its outside dimensions.
- 2.3. Baseline fuel price shall be \$3.30 per gallon of ultra low sulfur diesel.

- 2.4. Fuel surcharge increment shall mean \$0.33 per gallon of ultra low sulfur diesel.

3.0 BACKGROUND INFORMATION

- 3.1. The City of Houston Department of Public Works and Engineering presently owns forty (40) wastewater treatment plants. Hauling and disposal of municipal Biosolids services may occur at all forty (40) sites.
- 3.1.1. See **Table I** and **Table II** for complete wastewater treatment plant listing.
- 3.2. Daily loads of wet cake for the months of January, February, July, and August 2006 were tabulated. The data show that a hauling contractor could expect loads to vary from 5 to 32 per day and 0 to 17 per day on weekends.
- 3.3. There will be instances when the Contract Administrator will request the movement of a trailer and/or the disposal of the trailer contents before the trailer is completely full.
- 3.4. The biosolids dewatering plants (see **Table I**) use thickeners and/or digesters and either belt filters or centrifuges to dewater the solids.
- 3.4.1. Sixty-Ninth Street and Almeda Sims plants produce heat-dried Biosolids.
- 3.4.2. Sims Bayou and Kingwood Central plants usually produce lime-stabilized Biosolids.
- 3.4.3. All other solids processing plants produce aerobically digested Biosolids.
- 3.5. No storage facilities exist for dewatered aerobically digested Biosolids and only limited storage exists for lime-stabilized Biosolids at Sims Bayou. The City is dependent upon Contractor supplied trailers to remove the processed Biosolids. Timely transport is critical to ensure continuous processing of Biosolids at each site.
- 3.6. The City has a continuing contract for marketing of the heat-dried Biosolids (Hou-Actinite) produced at the 69th Street and Almeda Sims biosolids drying plants. The Contractor for these hauling and transport services will be required to coordinate their activities with the Hou-Actinite marketer. The Contract Administrator for this contract will determine where the off-specification heat-dried biosolids are to be disposed, normally in a landfill.
- 3.7. The City is committed to the beneficial reuse of Biosolids. **Land application sites are the primary disposal destinations for both aerobically digested and lime stabilized Biosolids.** The Contractor must provide alternate disposal site(s) for situations when the land application sites are unavailable for some reason, such as rain-saturated fields. Contractor may provide information, such as soil permeability, that would provide an indication of the affect of rainy weather on land application.
- 3.7.1 Dilute solids may be transported from a City plant to a City plant, usually to Intercontinental Airport Wastewater Treatment Plant (since December 2006). However, tankers may be directed to any of the treatment plants that process solids.
- 3.8. Sand, grit and/or other solid material(s) shall be disposed of in an approved landfill unless otherwise directed by the Contract Administrator.
- 3.9. The Contractor's actions and/or lack of action shall not affect the operation of any of the wastewater treatment plants. Controlling the solids inventory in a wastewater treatment plant is critical to that plant meeting its EPA and/or TCEQ permits. Any fines, fees, or costs associated with the violation of a regulation, directly caused by the actions/inaction of the Contractor, shall be deducted from the

Contractor's invoiced amount.

4.0 CITY-PROVIDED SERVICES, FACILITIES, EQUIPMENT

- 4.1. The City will sample and analyze dewatered cake in compliance with regulatory requirements for Toxicity Characteristic Leaching Procedure (TCLP), polychlorinated biphenyls (pcbs), pathogens, vector attraction, and metals. The Contractor will be responsible for sampling and analyses for any required nutrients.
- 4.2. The City will sample all dewatered Biosolids produced by Contractor from hauling containers. Contractor shall provide the means to obtain samples in a safe and convenient manner.
- 4.3. The City will provide the Contractor with parking for personal vehicles in the two- (2) parking lots located along Lawndale at Sims Bayou.
- 4.4. City employees must sign manifests.
- 4.5. City employees will participate in the weighing of trailers at City scales. The City will provide the Contractor with adequate storage space for its equipment to be used at Sims Bayou.

5.0 SAFETY, SECURITY AND STORMWATER REQUIREMENTS

- 5.1. The Contractor shall be completely familiar with, and shall enforce all local, City, State of Texas and Federal OSHA regulations and requirements as applicable for all services performed under this Contract.
- 5.2. The Contractor shall develop a spill response plan, respond in a timely manner to all biosolids spills on public roadways, and provide thorough cleanup and removal of spilled material.
- 5.3. Contractor shall ensure its employees and/or subcontractors comply with the regulations governing the issuance of a Stormwater Discharge Permit by the EPA/TCEQ. Each City wastewater treatment plant has been permitted for a Stormwater Discharge Permit. The permit, in general, requires the City to eliminate or remedy any erosion of soil into the waterways and prevent any contaminants from reaching the waterways via a storm water conveyance facility. Contractor shall not disturb vegetated areas to the point where the soil may be exposed to erosion. Contractor shall use methods acceptable to the TCEQ to remediate areas, which potentially could result in violations of the City's Stormwater Discharge Permit.
- 5.4. The Contractor shall stock and re-supply as needed material and tools that can be used to clean-up spills or leaks either in every tractor or in a designated area at six of the treatment plants subject to approval by the Contract Administrator or hire a competent environmental spill clean-up contractor.

6.0 HAULING AND DISPOSAL SERVICES REQUIRED

- 6.1. Contractor shall ensure its employees and/or subcontractors maintain full compliance with all state and federal regulations issued by the U.S. Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ), which, in general, govern the transport and disposal of municipal biosolids, solids, and dilute solids from designated City of Houston wastewater treatment plants. The Contractor will have to abide by and maintain full compliance with all the federal, state, and local regulations, for any and all of their actions and equipment under this contract.
- 6.2. The Contractor will be required to transport and dispose of municipal Biosolids, Solids, and Dilute Solids from designated City of Houston wastewater treatment plants. The City is required to maintain any and all permits for the transfer of Biosolids, Solids and Dilute Solids from the City of Houston wastewater treatment plants to other City of Houston wastewater treatment plants.

- 6.3. The Contractor shall provide transportation to landfill or land application site as directed by the Contract Administrator. The Contract Administrator can be reached at 713/641-9100.
- 6.4. The Contractor shall designate a Project Manager for this contract by submitting in writing a letter to the Contract Administrator. This letter shall be delivered within 10 days of notification of award by City Council.
- 6.4.1. The Project Manager must be LOCALLY available at all times during the contract term.
- 6.4.2. The Project Manager shall have full authority to represent the Contractor in making decisions and in the execution of the services to be performed under the contract.
- 6.5. Both land application site(s) and landfill site(s) will be included in the contract scope of services. The successful proposer must be able to provide service to both site(s).
- 6.5.1. Lime-stabilized and aerobically digested Biosolids will generally be directed to a land application site.
- 6.5.2. During adverse weather conditions, which render the land application site(s) inaccessible due to standing water, mud and soft ground, alternate disposal sites must be available to the Contractor.
- 6.6. The Contractor shall procure and permit all the land application sites required to handle the City's Biosolids.
- 6.6.1. The Contractor will be required to pay for everything required to obtain and maintain all required permits.
- 6.6.2. Land application proposal sites may contain several tracts, but Biosolids from the City of Houston shall be applied only to tracts reserved for the exclusive use of the City.
- 6.6.3. Prior to land application of Biosolids to a new contract site, soil from that site shall be analyzed for all the constituents regulated under the EPA 40 CFR 503 regulations in order to provide information on existing site conditions. The sampling and analysis procedure shall be submitted to and approved by the City's Contract Administrator prior to sampling and analysis. **Any information obtained shall be provided to the City.**
- 6.7. The Contractor must provide a sufficient number of empty trailers to fill with dewatered Biosolids at designated City of Houston wastewater treatment plants so the dewatering equipment can operate continuously when needed. All trailers used to transport Biosolids must be permitted by the TCEQ. Current copies of all permits must be provided to the City prior to the equipment entering any City of Houston site.
- 6.7.1. Contractor shall utilize only watertight trailers and/or roll-off containers. All trailers/containers shall be covered with tarpaulins while on public thoroughfares. The Contractor will be required to provide all maintenance on the trailers and to ensure that all required licenses and inspections are current.
- 6.7.2. Except for the Kingwood Treatment Plant and possibly any other plant not presently being served, the Contractor's hauling equipment is compatible with the City's solids loading equipment. If the Contractor purchases new hauling equipment or modifies existing hauling equipment, the cost of any modification(s) of City equipment required in order for the City to load the Contractor's trailers shall be paid for by the Contractor.

- 6.7.2.1 Whenever the City adds a facility, which has not already been served, to be served under this contract, any modifications required to the City's loading equipment and/or building(s) would be paid by the City.
- 6.7.3. The cost of all permits and/or fees shall be borne by the Contractor at no additional cost to the City.
- 6.7.4. The Contractor shall be responsible to insure that all Biosolids or solids spills or damages caused by spills are corrected immediately at its own expense. Correction of spills or damages shall be executed in a manner approved by the Plant Manager or his designee.
- 6.7.5. The Contractor will be responsible for weighing empty tractor/end-dump trailer(s) combinations and empty and full tractor/tanker(s) when they are initially put into service. A copy of this baseline weight will be provided to the City with the vehicles' TCEQ permit information.
- 6.7.6. The average capacity of the tankers to the nearest 10 gallons will be determined by averaging the results of the following calculation for all tankers in City of Houston service. Average capacity will be used for payment. Whenever a tanker is added to the fleet or one removed, the average gallon capacity will be recalculated. Tanker capacities differing by more than 7% from the calculated average will not be used to determine the average. The capacity of tankers not used in an averaging calculation will be their own capacity unless two or more can be grouped together in another averaging calculation. Subtracting the tare weight from the gross and dividing by 8.34 lbs/gallon will determine a tanker's capacity in gallons.
- 6.8. The Contract Administrator may request an empty trailer be re-weighed during the contract term at no additional cost to the City.
- 6.8.1. The Contractor will weigh full and empty trailers at a certified public scale or at one of the City's scales located at the wastewater treatment plants listed below:
- 69th Street WWTP
 - Almeda Sims WWTP
 - Sims Bayou WWTP
 - Keegans Bayou WWTP
- 6.8.2. **The City will not charge a fee if City scales are utilized for these services. The Contractor will be responsible for the payment of any fee charged at a public scale.**
- 6.9. From the start of the Agreement through the first two (2) full calendar months, Contractor's personnel, in conjunction with the Contract Administrator, shall determine the level to which each trailer can be filled so the combination of the tractor/trailer/load will weigh 78,000 pounds. Regardless of the combined actual weight of the tractor/trailer/load, the Contractor will be paid for one (1) load as stipulated on the Fee Schedule. After the first two month period, the Contractor will not be required to weigh each load, but the Contract Administrator may require some of the loads be weighed. Load quantities will be determined by the height of the continuous line (see below).
- 6.9.1. Contractor shall mark a continuous line around the inside of the trailer at the determined 78,000 pound level.
- 6.9.2. If during the contract term, some of the line rubs off so it is difficult to see, the Contractor shall redraw the line.
- 6.10. For roll-on / roll-off containers, the weight carried by the container will be determined by weighing

several loaded containers to determine the average weight per load. (The approximate sludge weight is estimated at 12 tons per load.) The Contractor will be paid for one (1) load as stipulated on the Fee Schedule. Load quantities will be determined by the height of the continuous line (see below).

- 6.10.1. The Contractor will be required to mark a continuous line around the inside of each roll-on / roll-off container.
- 6.10.2. Requirements for maintaining the line are the same as for trailers above. The Contract Administrator and the Contractor's representative may sign a written agreement for similar sized containers utilized under this contract. This weight will be used to prorate the fee schedule.
- 6.10.3. Roll-on / roll-off containers are presently being used at the following sites:

MUD #203 & Kingwood Central

- 6.11. Contractor will not remove partially filled containers, either trailers or roll-on/roll-off containers, unless removal is authorized by the Contract Administrator or someone appointed by him/her. The City will pay the Contractor only for full loads unless otherwise authorized.
- 6.12. Trailer(s) provided for these purposes will not be subject to an additional fee but will be included in the transportation and disposal tonnage fee.
- 6.13. Contractor shall furnish and install tarping equipment on each trailer prior to utilization under this contract.
- 6.14. Trailers delivering material to land application sites are expected to be clean when they return to be filled up. If not, the City may require the trailer to be weighed before and after it is filled. Payment for the load will be prorated based on the actual weight and a normal load weight of 22 tons.
- 6.15. If a load dewatered by the City does not pass the paint filter test, the additional charges levied by the landfill operator may be submitted to the City for payment. In order to obtain payment the Contractor must have notified the Contract Administrator within twenty-four hours of the occurrence. Upon investigation, the Contract Administrator may authorize payment to the Contractor for the additional charges, if supplied with an original invoice from the Landfill operator.
- 6.16. The Contractor will be required to dispose of off-specification Hou-Actinite as directed by the Contract Administrator, usually in landfill sites.
- 6.17. The Contractor will be available to provide all hauling and transport services at all designated City sites on a 24 hour per day / 7 day per week / 365 days per year basis, if required.
 - 6.17.1. Two (2) biosolids dewatering plants operate 24 hours per day, seven days per week, 365 days per year (366 days in a leap year).

69th Street & Almeda Sims

- 6.17.2. One (1) wastewater treatment plant operates 16 hours per day, seven days per week, 365 days per year (366 days in a leap year).

Sims Bayou

- 6.17.3. The remaining eleven (11) dewatering plants normally operate between the hours of 7:30 a.m. and 3:30p.m. Monday through Friday, 52 weeks per year.

- 6.18. The Contract Administrator will determine if services outside normal working hours are required at any site.
- 6.19. The Contractor will be required to provide empty trailers in a timely manner so the dewatering equipment at each plant will not have to stop producing dewatered cake due to the lack of an empty trailer into which dewatered cake can be placed. The plant operators will notify the Contractor's dispatcher of the need for an empty trailer at least sixty minutes before it is needed. If the Contract Administrator notifies the Contractor's dispatcher of a lack of empty trailers and an empty trailer does not arrive within ninety (90) minutes, the Contract Administrator may deduct fifty (50) dollars per plant per day from the Contractors monthly invoice before its payment for the costs associated with interrupting the dewatering. On the second and subsequent days, the amount will increase to \$250 per plant per day.
- 6.20. The Contractor will be allowed access to City sites by City personnel during non-routine operating hours.
- 6.21. The Contractor will be required to provide tractors (mules) so that City employees can move trailers at plants that require it or to provide driver(s) and tractor(s) ready to move a trailer anywhere within the City within ninety (90) minutes of notification. Contractor will provide periodic training of City employees on mules.
- 6.21.1. All mules must be able to handle at least a 70,000 pound loaded trailer, have a minimum 50-inch wide insulated cab, air ride seat, two (2) batteries, and comply with all Federal air pollution regulations and the State Implementation Plan (SIP) for the Houston Non-Attainment Area.
- 6.21.2. At present there are nine (9) tractors (mules) at City wastewater treatment plants to accomplish this task. A minimum of six (6) mules shall have a hydraulically activated fifth wheel. The Contract Administrator will designate at which city facilities these mules are to be located.
- 6.21.3. The Contractor will be required to increase and/or decrease the number of tractor(s) at these or other designated sites at the direction of the Contract Administrator.
- 6.21.4. If one of the tractors breaks down or is unable to switch out a trailer, the Contractor will have ninety (90) minutes from the time of notification to make the switch or provide the means to do so.
- 6.21.5. Any repairs of equipment (tractor or trailer) on a plant site shall be made only in areas designated on the City's storm water permit for that plant. Contact the Plant Manager or the Contractor Administrator for identification of designated areas at each site.
- 6.22. The Contractor is responsible for finding and arranging for disposal site(s). The Contractor, at their own expense, shall obtain and analyze any samples required for disposal at a site either initially or on a continuing basis. Any information obtained shall be available to the City, if requested, such as initial contract-required site analyses.
- 6.23. The Contractor shall furnish a monthly progress report to the Plant Manager by the 10th working day of the following month. The report shall include, but is not limited to all data required for federal, state, and local reports, monthly invoices by plant with dates, number of trucks/bins hauled, quantities hauled in tons, destination and their TCEQ permit numbers, manifests numbers, tractor numbers, trailer numbers, total loads, and total cost.

7.0 DEWATERING SERVICES REQUIRED

- 7.1 The same Contractor must provide the services described in Sections 6.0 (Hauling and Disposal

Services Required) and 7.0 (Dewatering Services Required).

- 7.1.1 The Contractor must provide suitable belt filter press(es), capable of dewatering a liquid stream containing 1% to 4% solids to approximately 16% solids at the City's Intercontinental Airport wastewater treatment plant. The equipment shall be capable of dewatering about 1000 pounds of dry solids per hour with an 85% capture rate. The same specifications apply to dewatering equipment and processing at sites other than Intercontinental and Sims Bayou.
 - 7.1.2 Contractor shall supply all labor.
 - 7.1.3 The City will provide electricity (limited to 200 kW continuous), water, and
7.1.3.1 Wastewater service.
 - 7.1.4 The Contractor shall supply all other materials, including polymer.
 - 7.1.5 The Contractor shall pay for all sampling and analyses required in regard to permitting and disposal at specific sites but will provide the information to the City, particularly the analyses required on existing site conditions.
- 7.2 The Contractor shall be responsible for any additional disposal charges for material not passing the paint filter test.

8.0 DELIVERY TICKETS

- 8.1 The Contractor must provide a five-part manifest signed by a City of Houston Public Works and Engineering employee and the signature and/or stamp of a responsible person at the final destination for all Biosolids / Solids hauled under this contract.
- 8.2 The five-part manifest shall be supplied by the Contractor and shall comply with City of Houston Water and Sewer Code, Article XI (Transportation and Treatment of Certain Wastes), Division 8 (Manifest/Septic Tank Control Ticket Documents). Approval of the manifest and additional information may be obtained from the City Health Department, Environmental Health, Waste Transport Vehicle Permits (713/640-4399).
- 8.3 Loads requiring a five-part manifest include:
 - Biosolids
 - Hou-Actinite
 - Sand and grit
 - Dilute solids
- 8.4 Loads also requiring a weigh ticket with tare and gross weights:
 - Hou-Actinite
 - Sand and grit
- 8.5 The Contract Administrator may require loads of other material(s) to have weigh tickets and/or five-part manifests.

9.0 OPERATION AND MAINTENANCE OF SIMS BAYOU DEWATERING PLANT SERVICES REQUIRED

- 9.1. The sludge dewatering process at Sims Bayou Wastewater Treatment Plant is designed for 24-hour per day continuous operation. Unless the Contractor provides its own equipment, anything less than 24-hours per day may require modifying individual pieces of equipment and piping to increase their peak capacities.
 - 9.1.1. Solids to be processed at the Sims Bayou Dewatering Plant are generated from the Sims

Bayou site as well as Sims South (3005 Galveston Road), Easthaven (8545 Scranton) and WCID #47 (7410 Galveston Road). The solids from Easthaven and WCID #47 are pumped to Sims South Wastewater Treatment Plant, which pumps to the Sims Bayou North thickeners.

- 9.2. The Sims Bayou Dewatering Plant utilizes three (3) Ashbrook Klampress belt filter presses.
- 9.3. Neither Sims Bayou nor Sims South Wastewater Treatment Plants have digesters. Thickeners provide solids storage between the wastewater treatment process and the dewatering process. Although there are four (4) thickeners at Sims Bayou, **only one (1) is presently being utilized, which condition is anticipated to continue.** Upon mutual agreement between the Contractor and the City's Contract Administrator, additional thickeners may be placed into service.
- 9.3.1. They are identical octagons with a 14-foot sidewall depth and 5,280 sq. ft. of surface area.
- 9.3.2. The bottom cone of each thickener can hold approximately 110,000 gallons.
- 9.3.3. The suction line from the bottom of the thickener to the pumps feeding the constant head tank in the sludge dewatering building is 6-inches in diameter.
- 9.4. The Contractor will be required to operate the thickener so that solids pumped from either Sims Bayou or Sims South will settle out in the thickener and not be returned to the treatment plant.
- 9.5. The City's preference is to pump a constant flow of solids to the thickeners in order to provide a uniform environment in the wastewater plants. A high degree of coordination by the Contractor will be required to match the dewatering operation with the production of solids in the treatment plant. In order to maintain sludge quality arriving at the dewatering equipment, the Contractor shall coordinate with the City's operators. **Please note, thickener sludge blankets, which are both older than eight hours and thicker than 1 to 2 feet, have a tendency to produce rising sludge which does not dewater as easily as fresh sludge.**
- 9.5.1. The number of trailer loads of solids removed from Sims Bayou during the period January 2006 to June 2007:
High = 211 in January & December 2006
Low = 119 in May 2007 (contract dewatering)
- 9.5.2. Production of solids is generally higher:
- after heavy rains following long dry periods
 - during colder weather
- 9.5.3. The blowers in the wastewater treatment side of the plant may be turned off in order to conserve energy. This will not affect the power to the sludge plant but may affect sludge quality.
- 9.6. The Contractor must be able to provide / obtain emergency repair / maintenance services as needed to ensure reliable operation of the facility. Authorization and payment will be as provided elsewhere.

10.0 OPERATION OF THE SIMS BAYOU DEWATERING AND LIME STABILIZATION FACILITY

- 10.1. The Contractor shall be responsible for dewatering the Dilute Solids at the Sims Bayou Wastewater Treatment Plant and further processing them to obtain Class B or A Biosolids according to EPA and TCEQ regulations if they are to be land applied. The Contractor shall provide experienced personnel to operate the dewatering system.
- 10.2. Contractor shall accept and process all wastewater solids provided by the City of Houston from the

Sims Bayou, Sims South, WCID #47, and Easthaven Wastewater Treatment Plants. When there is an equipment breakdown, the Contractor will have a grace period of forty-eight (48) hours after the subsequent 8 A.M. to start processing a minimum of twenty-five (25) dry tons per day. If the Contractor is unable, then he/she shall provide an alternate method that can start processing at least thirty (30) dry tons per day beginning at 8 A.M. the next day at no additional cost to the City.

- 10.3. The City will provide electricity for the Contractor's use in performing its scope of work at Sims Bayou. The Contractor will be required to demonstrate that usage of electricity, solids filtrate flow, and equipment performance are consistent with good industry practice for similar equipment and that the overall cost for dewatering of solids at this facility is minimized.
- 10.4. Operate up to four (4) thickeners and associated equipment to provide solids storage and thickening for the sludge flow from the Sims Bayou and Sims South Wastewater Treatment Plants.
 - 10.4.1. Thickeners must be operated in a manner consistent with good industry practice and with current operating procedures such that the solids concentration of the return flow to the wastewater treatment plant is minimized.
 - 10.4.2. Operation of the thickeners must minimize odor emissions.
- 10.5. The Contractor will operate its dewatering equipment in such a manner that the filtrate shall not contain more than 1200 ppm solids with a solids feed rate of 150 gpm and a washwater flow rate of 160 gpm or a mutually agreed reasonably calculated equivalent.
- 10.6. The Contractor will be required to purchase and supply lime and polymer using no more than thirty percent (30%) lime addition on a dry weight basis to meet applicable land application criteria.
- 10.7. The Contractor will be required to input preventative and maintenance information directly into the Maintenance Management System (MP5 software by DataStream Systems, Inc.), if the City provides access to database fields. Otherwise, the data will be provided by another means.
- 10.8. The Contractor shall provide all routine and preventive maintenance work on all the City owned equipment operated by Contractor and used to process solids and any associated equipment. This includes the sludge thickeners, sludge transfer pumps, and other equipment per manufacturer's recommendations specified in the Operation and Maintenance (O & M) manual. The Contractor shall provide a monthly routine and preventative maintenance schedule to the PWE Contract Administrator no less than seven (7) calendar days before the last day of the month for the next month. All labor, supervision, materials, consumables, equipment, tools, etc. required to perform this maintenance will be paid for by the Contractor.
 - 10.8.1. Routine and preventative maintenance is defined as all maintenance recommended in the owner's manuals by the manufacturer(s). The City will be responsible for providing copies of all applicable equipment manuals.
 - 10.8.2. Specific manufacturer recommended tasks may be deleted only upon written approval of the Contract Administrator.
- 10.9. The Contractor shall be required to initiate and maintain a Spare Parts Inventory. The City will provide whatever is on hand for inclusion in this inventory upon initiation of the contract. Other City-provided spare parts will be identified and inventoried within 30-days of initiation of contract by combined City / Contractor effort.
- 10.10. The City will maintain building structures, HVAC equipment, elevator, and all non-process utilities.
- 10.11. The Contractor shall determine the extent and estimated cost of corrective repairs. A written recommendation for repair shall be submitted to the Contract Administrator for approval. The

Contract Administrator will determine whether City employees will provide the repairs or a contractor. Repairs between \$1000 and \$25,000 will require written authorization from the Contract Administrator or his designee before commencing. Repairs less than \$1000 may be initiated upon a verbal authorization followed with a written authorization.

10.12. The Contractor will be required to exchange information electronically between the Contractor and the City in a format that is compatible with Microsoft Office software. It will be solely the Contractor's responsibility to facilitate this electronic exchange. Any costs incurred by the Contractor will be at no additional cost to the City. Operating data may be required in both hard copy and electronic format.

10.12.1 Reports which will be required will include the following:

- Monthly Reports
- Data for Regulatory Reporting

10.12.2 Typical required data (which could change periodically):

- Operating hours
- Sludge and polymer feed rates
- Solids concentration in feed
- Polymer solids concentration

10.12.3 Information that may also be required in these reports:

- Preventative maintenance performed
- Equipment repaired and/or replaced
- Polymer consumption

10.12.4 The Contract Administrator will communicate additional content requirements in such a manner that the Contractor will have at least 2 weeks to prepare the report to comply with the City's needs.

10.13. The Contractor will be required to identify facility modifications to improve solids processing as part of the contract initiation process. The City will require the following tests be performed prior to submission of a written scope of work with estimated cost of modifications and projected cost savings:

10.13.1 Perform Capacity Test(s) to determine the maximum hourly, daily, and weekly solids processing capability.

10.13.2 Identify Capacity Bottlenecks and provide suggestions for eliminating.

10.14. Any modifications must be completed within the first 365-day period of the contract. Up to \$50,000 may be used to repair or replace worn or broken City-owned equipment, in order to bring its condition up to a satisfactory level or add new equipment. Written authorization by the Contract Administrator will be required prior to any work.

10.14.1. Possible modifications to be considered are:

10.14.1.1. Increase pumping capacity of sludge pumps at thickeners by:

- Installing a larger suction line
- Increasing suction head by installing pumps in a pit
- Installing a grinder in the suction line

10.14.1.2. Install equipment so that sludge cake can by-pass mixer.

10.14.1.3. Modify sludge silo by-pass.

10.14.1.4. Modify the double diaphragm pumps and/or piping.

- 10.15. The Contractor must be able to provide / obtain emergency repair / maintenance services as needed to ensure continuous operation of the facility. Authorization and payment will be as provided elsewhere in this Agreement.
- 10.16. At Sims Bayou City employees will assist in weighing the loads when the truck scale is available.
- 10.17. The City will share the use of the Dewatering Facility. The City will also share use of designated storage facilities in the Sims Bayou Dewatering Facility.
- 10.18. Any reference to preventative maintenance or corrective repairs in this document shall apply to City of Houston owned equipment. Contractor owned equipment shall be maintained by the Contractor at its cost.
- 10.19. No foreign material shall be added to Biosolids during the dewatering process except polymer. The total of the weight concentrations of calcium oxide and magnesium oxide in the lime added to the dewatered cake shall be greater than 90%.

11.0 DISPOSAL OF OFF-SPEC HEAT-DRIED BIOSOLIDS AND EQUIPMENT RENTAL AT ALMEDA SIMS AND 69TH STREET BIOSOLIDS DRYING PLANTS

- 11.1. Contractors are requested to capture, store and dispose of heat-dried product discharging from the dryers at the Almeda Sims and the 69th Street biosolids drying plants.
- 11.2. This service requires rental of equipment and minimal activity when the conveying systems at Almeda Sims and 69th Street are operating smoothly. However, when the conveying systems breakdown or they require maintenance, the Contractor will have to provide 24-hour services. In September 2005 the HR-1 drag chain conveyor at 69th Street was shut down to replace some of the return rails and all of the plastic paddles on the chain. The conveyor broke down on 9/9/2005 and was not repaired until 10/5/2005. During that time Operations tried to run the conveyor whenever possible but during one twenty-four hour period the contractor had to haul nine semi-trailer loads of heat-dried biosolids to the landfill. There were 52 loads hauled during this episode.
- 11.3. If the loads are not hauled in a timely manner, the Biosolids overflow their containers, flow into the basement of the sludge plant, cover motors, and plug drains.
- 11.4. Until the City purchased paddles made of Tivar, paddle replacement occurred about once a year.
- 11.5. Before loading Biosolids for sale into containers the Contractor must obtain authorization from the Contract Administrator or the Heat-Dried Marketing Contractor if so designated by the Contract Administrator.

Almeda Sims

- 11.6. The contractor shall provide on a standby basis at least two trailers and a tractor or a yard mule with a hydraulic powered fifth wheel. Biosolids will be diverted to the trailer when the material cannot be conveyed to storage and will be sold by the Heat-Dried Marketing Contractor. If the material cannot be sold, Synagro will dispose of it in a landfill. All sales of heat-dried Biosolids will be through the Marketing Contractor, which is presently Automation Nation
- 11.7. When a new plant starts operating in mid-2009, the Contractor shall, in addition, provide empty trailers for wet cake within 90 minutes of notification. The Contractor shall haul and dispose in a

landfill the wet cake in the trailers. Wet cake production is estimated to be 150 wet tons per 24 hours per belt filter press or 300 wet tons per day for the plant. There is only one loading spot. If Biosolids or Solids spill on the ground because the Contractor was late in moving the trailer or for any other reason, the Contractor shall be responsible for supervising and paying for the clean up.

- 11.8. All loads hauled from Alameda Sims shall be weighed and have a manifest.

Sixty-Ninth Street

- 11.9. The Contractor will be required to supply on a twenty-four hour basis, eight (8) end-dump trailers or eight (8) 40 cu. yd. roll-off containers at 69th Street Sludge Plant to provide storage for off-specification Hou-Actinite (dried Biosolids).
- 11.10. When normal operation of the conveying system is interrupted, Biosolids will be sent to the trailers/boxes and will be sold by the Heat-Dried Biosolids Marketing Contractor. If the material cannot be sold, the Contractor will dispose of the off-spec heat-dried Biosolids in a landfill. All sales of heat-dried Biosolids will be through the Heat-Dried Marketing Contractor, which is presently Automation Nation.
- 11.11. All loads hauled from 69th Street shall be weighed and have a manifest.

12.0 REMOVAL OF SAND AND GRIT FROM WASTEWATER FACILITIES SERVICES REQUIRED

- 12.1. For many situations, confined space entry training, procedures, and equipment will be needed. Any additional costs for these services are to be included in the fees proposed.
- 12.2. Provide equipment and labor to remove solids, such as sand and grit, from various wastewater structures and place the solids into trailers.
- 12.2.1. The Contractor shall be responsible for dewatering the material so that it passes the paint filter test. If the material does not pass the paint filter test at the landfill, the Contractor shall be responsible for any additional charges incurred.
- 12.2.2. Sand and grit removal will generally be done while the treatment plant is in operation. Basins/channels being cleaned will usually be dewatered but sometimes they may have to be cleaned while in use. The Contractor may have to assist the City with equipment and/or labor in preparing the area to be cleaned.
- 12.2.3. The Contractor shall assist the City and supply equipment to accomplish the removal of solids.
- 12.2.4. Sand and grit removal shall include the removal and disposal of "rags" hanging on piping and other equipment in the wastewater structure(s).
- 12.2.5. Sand and grit removal shall include the removal of any trees and brush growing in the sand and grit.
- 12.2.6. If rainfall or high flows are anticipated, the Contractor shall remove all of its equipment from the basins and channels. The City shall assume no liability for any damage to the Contractor's equipment, specifically if it is not removed from basins and/or channels that may be put into service to handle the increased flow.
- 12.2.7. If after the initial mobilization, the City requests the contractor to remove its equipment from basins or channels for any reason other than rainfall and/or expected wet weather flow, a remobilization fee shall be paid to the Contractor upon resumption of solids removal.

- 12.3. Contractor is required to supply all equipment, including cranes up to and including 39-ton capacity, and material for the removal of sand and grit from basins, channels and other wastewater treatment plant structures except for lift stations. Additional fees for rental equipment will be authorized on a case-to-case basis. Eligible rental equipment shall be cranes of 40-ton capacity, 68 decibels or less engine powered bypass pumps, hydraulic powered submersible pump and power pack, and enclosed roll-off boxes. For basins, channels and structures with a wall further than 19 feet from an outside wall of the structure, the City will pay for a rental crane.

13.0 MISCELLANEOUS WORK

- 13.1. Other Biosolids Management Services requiring Contract Administrator Approval

13.1.1. Upon request from the Contract Administrator, Synagro shall submit a written proposal presenting the costs to perform additional services not defined elsewhere in this Agreement. Examples of work that may be requested by the City include cleaning and removal of sand and grit from lift stations and the start-up, operation and maintenance of biosolids drying equipment at Almeda Sims.

13.1.2. The Contract Administrator will inform Synagro in writing of his/her approval before Synagro commences work.

- 13.2. Repair and Improvement Services requiring Director Approval

13.2.1. Upon the prior written request of the Director, Synagro shall design, purchase, repair, perform emergency maintenance and replace elements, components and complete systems in the Solids processing trains in the sites identified by the Director.

13.2.2. Synagro shall submit a written proposal to the Director presenting the costs to be incurred by the City as a result of Synagro's work.

13.2.3. Except as otherwise required by the Contract Administrator, Synagro must solicit and receive three (3) informal bids (documents in writing) and award to the lowest responsible bidder. Further, Synagro must ensure that the design of such repairs or replacements, if required by the Contract Administrator, is (i) made and sealed by an engineer licensed in Texas and (ii) is approved in writing by the Contract Administrator prior to commencement of work. Any such repair or replacement costing more than \$250,000 must be approved by City Council.

13.2.4. The Director will inform Synagro in writing of his or her approval before Synagro commences work.

TABLE I**COH Wastewater Treatment Plants With Biosolids Dewatering Equipment**

Wastewater Facility Name	Facility Address	Key Map	Comments
Plants Producing Dried Biosolids Only:			
69th Street	2525 S/Sgt. Macario Garcia	494-R	Dried Biosolids Only
Alameda Sims	12319 1/2 Alameda Road	572-Q	Dried Biosolids Only
Plants Producing Lime-Stabilized Biosolids:			
Sims Bayou	9500 Lawndale	535-H	Belt Filter Press/Proposer Centrifuge (mobile)
Plants Producing Aerobically-Digested Biosolids:			
Beltway	10518 Bellaire	529-G	Belt Filter Press
Chocolate Bayou	9600 Martin Luther King	574-J	Belt Filter Press
Greenridge	6301 Fuqua West	571-X	Belt Filter Press
Imperial Valley	15500 Cotillion	373-W	Centrifuge
Intercontinental Airport	2450 Rankin Road	373-M	Belt Filter Press (mobile)
Keegans Bayou	9401 White Chapel Lane	530-S	Belt Filter Press
Kingwood Central	3928 Kingwood Drive	337-F	Belt Filter Press/Bioset/Contract Operation
Metro Central	12815 Galveston Road	617-C	Belt Filter Press
Northgate	303 Benmar	373-N	Belt Filter Press
Southeast	9610 Kingspoint	576-W	Belt Filter Press
Upper Braes	13525 West Houston Center	529-A	Belt Filter Press
	(Old Westheimer)	TOTAL:	14

TABLE II

COH Wastewater Treatment Plants Without Biosolids Dewatering Equipment				
Wastewater Facility Name	Facility Address		Key Map	Normal Disposal Method
Cedar Bayou	2804	Huffman Eastgate	339-G	Hauled infrequently
Clinton Park	9030	Clinton Drive	495-T	Pump Away
Easthaven	8545	Scranton	575-G	Pump Away
F.W.S.D. #23	8219	Kellett	455-G	Pump Away
Forest Cove	21951	Trail Tree Lane	336-E	Tanker Hauling by Another
H.C.M.U.D. #203	1215	Gears Road	372-P	Tanker Hauling
Homestead	5565	Kirkpatrick	455-N	Pump Away
Kingwood West	5900	Sorters Road	295-V	Tanker hauling by Another
Northbelt	14506	Smith	375-Y	Tanker Hauling
Northborough	13131	North Freeway	372-L	Tanker Hauling/Future Diversion
Northeast	655	Maxey Road	496-G	Pump Away
Northwest	5423	Mangum Road	451-C	Pump Away
Park Ten	16500	Park Row	447-Y	Tanker Hauling
Sagemont	11700	Sagearbor	576-Z	Pump Away
Sims South	3005	Galveston Road	535-L	Pump Away
Southwest	4211	Beechnut	531-P	Pump Away
Tidwell Timbers	10545	Tidwell Road	456-G	Tanker Hauling
Turkey Creek	1147	Enclave Parkway	488-G	Pump Away
W.C.I.D. #111	10601	Huntington Point	528-Y	Pump Away
W.C.I.D. #047	7410	Galveston	576-F	Pump Away
W.C.I.D. #076	13535	River Trail Drive	415-A	Tanker Hauling
West District	255	Isolde	489-L	Pump Away
White Oak	7103	Gulf Bank Road West	411-N	Pump Away
Westway	10273	Genard	450-A	Tanker Hauling
Willowbrook	7101	Greens Road West	370-K	Tanker Hauling
Willow Run	1818 1/2	Mosher Lane	412-K	Tanker Hauling
			TOTAL:	26

EXHIBIT "B"

Fee Schedule – Year 1

Year 1	DESCRIPTION OF SERVICE	Unit	Price/unit
1.	Transportation and disposal of Biosolids at a land application site: Trailer Load	load	\$480.00
	Roll-on/Roll-off	load	\$480.00
2.	Transportation and disposal of biosolids at a landfill site: Trailer Load:	load	\$535.00
	Roll-on / Roll-off Load	load	\$535.00
3.	Transportation of Dilute Solids from one City plant to Intercontinental Airport WWTP	gallon	\$0.0265
4.	Transportation of Dilute Solids from one City plant to another City plant.	gallon	\$0.0265
5.	Temporary dewatering of Solids/Biosolids in a liquid stream at Intercontinental	dry ton	\$250.00
6.	Temporary dewatering of Solids/Biosolids in a liquid stream at a city site other than InterContinental or Sims Bayou	load	\$1288.00
7.	Wash out trailer at landfill	occurrence	\$200.00
8.	Provide and insert disposable plastic liner in trailer	occurrence	\$75.00
9.	Fee to weigh tractor & trailer, tare & gross	occurrence	\$15.00
Sims Bayou Dewatering and Maintenance			
10.	Dewatering and disposal of Biosolids (including maintenance, polymer, lime, etc. **)	dry ton	\$237.00
Sand & Grit Removal			
11.	Removal and loading of Solids into transportation equipment from area less than 2000 square feet	ton	\$77.27
12.	Removal and loading of Solids into transportation equipment from 2000 square foot or greater areas; movable fine bubble aeration or no fine bubble	ton	\$54.55
13.	Removal and loading of Solids into transportation equipment; permanently fixed fine bubble aeration/digester basins	ton	\$332.27
14.	Transportation and disposal of Solids in a landfill	ton	\$24.32
15.	Administration fee for lift station subcontract work % of proposed cost	N/A	12%
16.	Combination sewer cleaning unit w/driver & 2 helpers	hour	\$270.00
17.	40 to 60 Ton Crane rental	month	\$9320.00
18.	Re-mobilization of solids removal equipment Rental Trailer mounted diesel or gas powered pump (includes 400 ft. right-sized suction plus discharge hose)	occurrence	\$3000.00
19.	Minimum 150 gpm @ 50 ft head (less than 68db)	week	\$205.00
20.	Minimum 500 gpm @ 50 ft head (less than 68 db)	week	\$400.00
21.	Minimum 3000 gpm @ 50 ft head (less than 68 db) A sewer plug for sewers having diameters as follows:	week	\$1840.00
22.	18-inch and smaller	week	\$115.00
23.	44- inches to greater than 18-inches	week	\$385.00
24.	61 –inches to greater than 44-inches	week	\$770.00

Year 1	DESCRIPTION OF SERVICE	Unit	Price/unit
Disposal and Storage Equipment Rental at 69th Street & Almeda Sims			
25.	Rental of storage equipment at 69 th Street (Assuming 10 Boxes *)	month	\$1250.00
26.	Rental of storage equipment at Almeda Sims	month	\$1250.00
27.	Transportation & disposal of heat-dried Solids in a trailer	load	\$535.00
28.	Loading heat-dried Biosolids in a trailer	load	\$270.00
29.	Four person cleanup crew including a skid steer	hour	\$240.00
30.	Combination sewer cleaning vehicle w/ operator & 2 helpers	hour	\$270.00

* Assumption: 10 boxes required @ \$125/box

** Assumption: City pays for dewatering

Year 2	DESCRIPTION OF SERVICE	Unit	Price/unit
1.	Transportation and disposal of Biosolids at a land application site: Trailer Load	load	\$494.00
	Roll-on/Roll-off	load	\$494.00
2.	Transportation and disposal of biosolids at a landfill site: Trailer Load:	load	\$590.00
	Roll-on / Roll-off Load	load	\$590.00
3.	Transportation of Dilute Solids from one City plant to Intercontinental Airport WWTP	gallon	\$0.0273
4.	Transportation of Dilute Solids from one City plant to another City plant.	gallon	\$0.0273
5.	Temporary dewatering of Solids/Biosolids in a liquid stream at Intercontinental	dry ton	\$267.00
6.	Temporary dewatering of Solids/Biosolids in a liquid stream at a city site other than InterContinental or Sims Bayou	load	\$1326.00
7.	Wash out trailer at landfill	occurrence	\$206.00
8.	Provide and insert disposable plastic liner in trailer	occurrence	\$77.00
9.	Fee to weigh tractor & trailer, tare & gross	occurrence	\$15.00
Sims Bayou Dewatering and Maintenance			
10.	Dewatering and disposal of Biosolids (including maintenance, polymer, lime, etc. **)	dry ton	\$248.00
Sand & Grit Removal			
11.	Removal and loading of Solids into transportation equipment from area less than 2000 square feet	ton	\$79.59
12.	Removal and loading of Solids into transportation equipment from 2000 square foot or greater areas; movable fine bubble aeration or no fine bubble	ton	\$56.18
13.	Removal and loading of Solids into transportation equipment; permanently fixed fine bubble aeration/digester basins	ton	\$342.27
14.	Transportation and disposal of Solids in a landfill	ton	\$26.82
15.	Administration fee for lift station subcontract work % of proposed cost	N/A	12%
16.	Combination sewer cleaning unit w/driver & 2 helpers	hour	\$278.00
17.	40 to 60 Ton Crane rental	month	\$9600.00
18.	Re-mobilization of solids removal equipment Rental Trailer mounted diesel or gas powered pump (includes 400 ft. right-sized suction plus discharge hose)	occurrence	\$3090.00
19.	Minimum 150 gpm @ 50 ft head (less than 68db)	week	\$211.00
20.	Minimum 500 gpm @ 50 ft head (less than 68 db)	week	\$412.00
21.	Minimum 3000 gpm @ 50 ft head (less than 68 db) A sewer plug for sewers having diameters as follows:	week	\$1895.00
22.	18-inch and smaller	week	\$118.00
23.	44- inches to greater than 18-inches	week	\$397.00
24.	61 –inches to greater than 44-inches	week	\$793.00

Year 2	DESCRIPTION OF SERVICE	Unit	Price/unit
Disposal and Storage Equipment Rental at 69th Street & Almeda Sims			
25.	Rental of storage equipment at 69 th Street (Assuming 10 boxes *)	month	\$1250.00
26.	Rental of storage equipment at Almeda Sims	month	\$1250.00
27.	Transportation & disposal of heat-dried Solids in a trailer	load	\$590.00
28.	Loading heat-dried Biosolids in a trailer	load	\$278.00
29.	Four person cleanup crew including a skid steer	hour	\$247.00
30.	Combination sewer cleaning vehicle w/ operator & 2 helpers	hour	\$278.00

* Assumption: 10 boxes required @ \$125/box

** Assumption: City pays for dewatering

Fee Schedule – Year 3

Exhibit “B”

Year 3	DESCRIPTION OF SERVICE	Unit	Price/unit
1.	Transportation and disposal of Biosolids at a land application site: Trailer Load	load	\$508.00
	Roll-on/Roll-off	load	\$508.00
2.	Transportation and disposal of biosolids at a landfill site: Trailer Load:	load	\$652.00
	Roll-on / Roll-off Load	load	\$652.00
3.	Transportation of Dilute Solids from one City plant to Intercontinental Airport WWTP	gallon	\$0.0281
4.	Transportation of Dilute Solids from one City plant to another City plant.	gallon	\$0.0281
5.	Temporary dewatering of Solids/Biosolids in a liquid stream at Intercontinental	dry ton	\$286.00
6.	Temporary dewatering of Solids/Biosolids in a liquid stream at a city site other than InterContinental or Sims Bayou	load	\$1366.00
7.	Wash out trailer at landfill	occurrence	\$212.00
8.	Provide and insert disposable plastic liner in trailer	occurrence	\$60.00
9.	Fee to weigh tractor & trailer, tare & gross	occurrence	\$15.00
Sims Bayou Dewatering and Maintenance			
10.	Dewatering and disposal of Biosolids (including maintenance, polymer, lime, etc. **)	dry ton	\$261.00
Sand & Grit Removal			
11.	Removal and loading of Solids into transportation equipment from area less than 2000 square feet	ton	\$82.00
12.	Removal and loading of Solids into transportation equipment from 2000 square foot or greater areas; movable fine bubble aeration or no fine bubble	ton	\$57.86
13.	Removal and loading of Solids into transportation equipment; permanently fixed fine bubble aeration/digester basins	ton	\$352.50
14.	Transportation and disposal of Solids in a landfill	ton	\$29.64
15.	Administration fee for lift station subcontract work % of proposed cost	N/A	12%
16.	Combination sewer cleaning unit w/driver & 2 helpers	hour	\$286.00
17.	40 to 60 Ton Crane rental	month	\$9888.00
18.	Re-mobilization of solids removal equipment Rental Trailer mounted diesel or gas powered pump (includes 400 ft. right-sized suction plus discharge hose)	occurrence	\$3182.00
19.	Minimum 150 gpm @ 50 ft head (less than 68db)	week	\$217.00
20.	Minimum 500 gpm @ 50 ft head (less than 68 db)	week	\$424.00
21.	Minimum 3000 gpm @ 50 ft head (less than 68 db) A sewer plug for sewers having diameters as follows:	week	\$1952.00
22.	18-inch and smaller	week	\$122.00
23.	44- inches to greater than 18-inches	week	\$408.00
24.	61 –inches to greater than 44-inches	week	\$817.00

Year 3	DESCRIPTION OF SERVICE	Unit	Price/unit
Disposal and Storage Equipment Rental at 69th Street & Almeda Sims			
25.	Rental of storage equipment at 69 th Street (Assuming 10 Boxes *)	month	\$1250.00
26.	Rental of storage equipment at Almeda Sims	month	\$1250.00
27.	Transportation & disposal of heat-dried Solids in a trailer	load	\$652.00
28.	Loading heat-dried Biosolids in a trailer	load	\$286.00
29.	Four person cleanup crew including a skid steer	hour	\$255.00
30.	Combination sewer cleaning vehicle w/ operator & 2 helpers	hour	\$286.00

* Assumption: 10 boxes required @ \$125/box

** Assumption: City pays for dewatering

Year 4	DESCRIPTION OF SERVICE	Unit	Price/unit
1.	Transportation and disposal of Biosolids at a land application site: Trailer Load	load	\$522.00
	Roll-on/Roll-off	load	\$522.00
2.	Transportation and disposal of biosolids at a landfill site: Trailer Load:	load	\$670.00
	Roll-on / Roll-off Load	load	\$670.00
3.	Transportation of Dilute Solids from one City plant to Intercontinental Airport WWTP	gallon	\$0.0289
4.	Transportation of Dilute Solids from one City plant to another City plant.	gallon	\$0.0289
5.	Temporary dewatering of Solids/Biosolids in a liquid stream at Intercontinental	dry ton	\$295.00
6.	Temporary dewatering of Solids/Biosolids in a liquid stream at a city site other than InterContinental or Sims Bayou	load	\$1407.00
7.	Wash out trailer at landfill	occurrence	\$218.00
8.	Provide and insert disposable plastic liner in trailer	occurrence	\$82.00
9.	Fee to weigh tractor & trailer, tare & gross	occurrence	\$15.00
Sims Bayou Dewatering and Maintenance			
10.	Dewatering and disposal of Biosolids (including maintenance, polymer, lime, etc. **)	dry ton	\$269.00
Sand & Grit Removal			
11.	Removal and loading of Solids into transportation equipment from area less than 2000 square feet	ton	\$84.45
12.	Removal and loading of Solids into transportation equipment from 2000 square foot or greater areas; movable fine bubble aeration or no fine bubble	ton	\$59.60
13.	Removal and loading of Solids into transportation equipment; permanently fixed fine bubble aeration/digester basins	ton	\$363.18
14.	Transportation and disposal of Solids in a landfill	ton	\$30.45
15.	Administration fee for lift station subcontract work % of proposed cost	N/A	12%
16.	Combination sewer cleaning unit w/driver & 2 helpers	hour	\$295.00
17.	40 to 60 Ton Crane rental	month	\$10184.00
18.	Re-mobilization of solids removal equipment Rental Trailer mounted diesel or gas powered pump (includes 400 ft. right-sized suction plus discharge hose)	occurrence	\$3278.00
19.	Minimum 150 gpm @ 50 ft head (less than 68db)	week	\$224.00
20.	Minimum 500 gpm @ 50 ft head (less than 68 db)	week	\$437.00
21.	Minimum 3000 gpm @ 50 ft head (less than 68 db) A sewer plug for sewers having diameters as follows:	week	\$2011.00
22.	18-inch and smaller	week	\$126.00
23.	44- inches to greater than 18-inches	week	\$421.00
24.	61 –inches to greater than 44-inches	week	\$841.00

Fee Schedule – Year 4 (cont.)

Exhibit “B”

Year 4	DESCRIPTION OF SERVICE	Unit	Price/unit
Disposal and Storage Equipment Rental at 69th Street & Almeda Sims			
25.	Rental of storage equipment at 69 th Street (Assuming 10 boxes *)	month	\$1250.00
26.	Rental of storage equipment at Almeda Sims	month	\$1250.00
27.	Transportation & disposal of heat-dried Solids in a trailer	load	\$670.00
28.	Loading heat-dried Biosolids in a trailer	load	\$295.00
29.	Four person cleanup crew including a skid steer	hour	\$262.00
30.	Combination sewer cleaning vehicle w/ operator & 2 helpers	hour	\$295.00

* Assumption: 10 boxes required @ \$125/box

** Assumption: City pays for dewatering

Year 5	DESCRIPTION OF SERVICE	Unit	Price/unit
1.	Transportation and disposal of Biosolids at a land application site: Trailer Load	load	\$537.00
	Roll-on/Roll-off	load	\$537.00
2.	Transportation and disposal of biosolids at a landfill site: Trailer Load:	load	\$689.00
	Roll-on / Roll-off Load	load	\$689.00
3.	Transportation of Dilute Solids from one City plant to Intercontinental Airport WWTP	gallon	\$0.0298
4.	Transportation of Dilute Solids from one City plant to another City plant.	gallon	\$0.0298
5.	Temporary dewatering of Solids/Biosolids in a liquid stream at Intercontinental	dry ton	\$303.00
6.	Temporary dewatering of Solids/Biosolids in a liquid stream at a city site other than InterContinental or Sims Bayou	load	\$1449.00
7.	Wash out trailer at landfill	occurrence	\$225.00
8.	Provide and insert disposable plastic liner in trailer	occurrence	\$84.00
9.	Fee to weigh tractor & trailer, tare & gross	occurrence	\$15.00
Sims Bayou Dewatering and Maintenance			
10.	Dewatering and disposal of Biosolids (including maintenance, polymer, lime, etc. **)	dry ton	\$277.00
Sand & Grit Removal			
11.	Removal and loading of Solids into transportation equipment from area less than 2000 square feet	ton	\$86.95
12.	Removal and loading of Solids into transportation equipment from 2000 square foot or greater areas; movable fine bubble aeration or no fine bubble	ton	\$61.41
13.	Removal and loading of Solids into transportation equipment; permanently fixed fine bubble aeration/digester basins	ton	\$374.10
14.	Transportation and disposal of Solids in a landfill	ton	\$31.32
15.	Administration fee for lift station subcontract work % of proposed cost	N/A	12%
16.	Combination sewer cleaning unit w/driver & 2 helpers	hour	\$304.00
17.	40 to 60 Ton Crane rental	month	\$10,490.00
18.	Re-mobilization of solids removal equipment Rental Trailer mounted diesel or gas powered pump (includes 400 ft. right-sized suction plus discharge hose)	occurrence	\$3376.00
19.	Minimum 150 gpm @ 50 ft head (less than 68 db)	week	\$231.00
20.	Minimum 500 gpm @ 50 ft head (less than 68 db)	week	\$450.00
21.	Minimum 3000 gpm @ 50 ft head (less than 68 db) A sewer plug for sewers having diameters as follows:	week	\$2071.00
22.	18-inch and smaller	week	\$129.00
23.	44- inches to greater than 18-inches	week	\$433.00
24.	61 –inches to greater than 44-inches	week	\$867.00

Year 5	DESCRIPTION OF SERVICE	Unit	Price/unit
Disposal and Storage Equipment Rental at 69th Street & Almeda Sims			
25.	Rental of storage equipment at 69 th Street (Assuming 10 boxes *)	month	\$1250.00
26.	Rental of storage equipment at Almeda Sims	month	\$1250.00
27.	Transportation & disposal of heat-dried Solids in a trailer	load	\$689.00
28.	Loading heat-dried Biosolids in a trailer	load	\$304.00
29.	Four person cleanup crew including a skid steer	hour	\$270.00
30.	Combination sewer cleaning vehicle w/ operator & 2 helpers	hour	\$304.00

* Assumption: 10 boxes required @ \$125/box

** Assumption: City pays for dewatering

EXHIBIT "B" (cont.)

Landfill Price Increase (for loads from all Plants except Intercontinental) – This additional service fee may be necessary due to an increase of the landfill tipping fee in years 4 and 5. At the beginning of years 4 and 5 of this contractual agreement, an increase will be added to the Per Unit Price for the services relating to transportation and disposal of biosolids at a landfill site as directed by the City. The per unit price for end dump trailer loads and/or roll-off loads will be adjusted in accordance with the following formula:

Yr 4 Determination of Landfill Price Increase (LPI):

LPI = Begin Yr 4 Landfill Price Per Wet Ton – Begin Yr 3 Landfill Price Per Wet Ton
(Note: Landfill per wet ton increase will be documented by official letter from landfill site)

New Yr 4 Per Unit (Load) Price = Yr 4 Per Unit (Load) Price + (LPI *22)
Wet tons per load = 22.

Example:

Yr 4 Contractual Per Unit (Load) Price = \$670 per load
Calculated LPI: (\$24-\$22) * 22 = \$44

New Yr 4 Per Unit (Load) Price = \$670 + \$44 = \$714
Subsequent Yr 5 will be calculated in accordance with above formula.

For Intercontinental Dewatering Only:

Landfill Price Increase (Intercontinental Only) – This additional service fee may be necessary due to an increase of the landfill tipping fee in years 2 through 5. At the beginning of years 2 through 5 of this contractual agreement, an increase will be added to the Dewatering Per Unit Price for the services relating to the dewatering and disposal of biosolids at a landfill site at the Intercontinental facility. The per unit price for dewatered dry ton will be adjusted in accordance with the following formula:

Yr 2 Determination of Landfill Price Increase (LPI):

LPI = Begin Yr 2 Landfill Price Per Wet Ton – Begin Yr 1 Landfill Price Per Wet Ton
(Note: Landfill per wet ton increase will be documented by official letter from landfill site)

New Yr 2 Per Unit Dewatering Price = Yr 2 Per Unit Dewatering Price + (LPI *22)

Example:

Yr 2 Contractual Per Unit Dewatering Price = \$267 per dry ton

Calculated LPI: (\$24-\$22) * 22 = \$44

New Yr 2 Per Unit Dewatering Price = \$267 + \$44 = \$311
Subsequent Years 3 through 5 will be calculated in accordance with above formula.

EXHIBIT "B" (cont.)

Fuel Surcharge

The surcharge rate will be based on the Retail On-Highway Ultra Low Sulfur Diesel Price per gallon – Gulf Coast as published by the U.S. Department of Energy's (DOE) Energy Information Administration (EIA), www.eia.doe.gov.

The **baseline fuel price** and the **fuel surcharge increment** are defined in Exhibit "A", Section 2. An adjustment shall be triggered when the average of the ten most recent EIA published prices is greater or less than the **baseline fuel price** plus all fuel surcharge adjustments to date by the **fuel surcharge increment**. Regardless of the pricing unit for the particular hauling service (by load, dry ton or gallon), all fuel surcharges shall be calculated and applied as a per load surcharge.

Fuel Surcharge for Land Application Hauling and Dry Ton Hauling

The **fuel surcharge increment**, negative or positive, multiplied by 35 shall be added to the current fee for land application loads.

Fuel Surcharge for Landfill Hauling and Liquid Hauling

The **fuel surcharge increment**, negative or positive, multiplied by 5 shall be added to the current fee for loads disposed in landfills and for liquid hauls to Intercontinental WWTP as designated by the City.

The **fuel surcharge increment**, negative or positive, multiplied by 10 shall be added to the current fee for liquid hauls to facilities other than Intercontinental WWTP as designated by the City.

EXHIBIT "C" - EQUAL EMPLOYMENT OPPORTUNITY

1. The contractor, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The contractor, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.
2. The contractor, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.
3. The contractor, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the contractor's and subcontractor's commitments under Section 202 of Executive Order No. 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246 and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or Contractor Compliance Officer(s) for purposes of investigation to ascertain and effect compliance with this program.
5. The contractor, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times are directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.
6. In the event of the contractor's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part, and the contractor, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.
7. The contractor shall include the provisions of paragraphs 1-8 of this Equal Employment Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
8. The contractor shall file and shall cause of his subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the contractor and each subcontractor.

EXHIBIT "D" - MWBE SUBCONTRACT TERMS

Contractor shall insure that all subcontracts with MWBE subcontractors and suppliers are clearly labeled **"THIS CONTRACT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT"** and contain the following terms:

AmPac Chemical Company, Inc. and

1. Pulido Trucking, L.P. _____ (MWBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston's Affirmative Action Director ("the Director").

AmPac Chemical Company, Inc. and

2. Pulido Trucking, L.P. _____ (MWBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform (1) audits of the books and records of the subcontractor, and (2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action nor the applicable statute of limitations.

3. Within five business days of execution of this subcontract, Contractor (prime contractor) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.

4. As concluded by the parties to this subcontract, and as evidenced by their signature hereto, any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 -- "the Act"). Arbitration shall be conducted according to the following procedures:

a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.

b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City's contract with American Arbitration Association on file in the Office of the City's Affirmative Action Division.

c. Upon submittal of the matter to arbitration each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.

d. In the event the American Arbitration Association no longer administers Affirmative Action arbitration for the City, the Director shall prescribe alternate procedures as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

EXHIBIT "E" - DRUG POLICY COMPLIANCE AGREEMENT

I, Robert C. Boucher, President as an owner or officer of
(Name) (Print/Type) (Title)
Synagro of Texas - CDR, Inc. (Contractor)
(Name of Company)

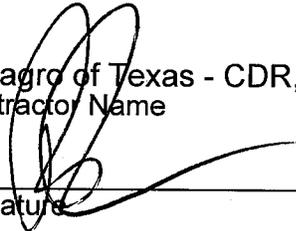
have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Contractor is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed:

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

January 30, 2008
Date

Synagro of Texas - CDR, Inc.
Contractor Name

Signature
Robert C. Boucher, President
Title

**EXHIBIT "F" - CONTRACTOR'S CERTIFICATION
OF NO SAFETY IMPACT POSITIONS IN PERFORMANCE OF A CITY CONTRACT**

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

(Name of Company) (Contractor)

have authority to bind the Contractor with respect to its bid, and hereby certify that Contractor has no employee safety impact positions, as defined in §5.17 of Executive Order No. 1-31, that will be involved

in performing _____
(Project)

Contractor agrees and covenants that it shall immediately notify the City of Houston Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

(Date)

(Typed or Printed Name)

(Signature)

(Title)

EXHIBIT "G" - DRUG POLICY COMPLIANCE DECLARATION

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

(Name of Company) (Contractor)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding 6 months from _____ to _____, 20__.

_____ A written Drug Free Workplace Policy has been implemented and employees notified.

Initials The policy meets the criteria established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Policy).

_____ Written drug testing procedures have been implemented in conformity with the Mayor's

Initials Drug Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31. Employees have been notified of such procedures.

_____ Collection/testing has been conducted in compliance with federal Health and Human Services (HHS) guidelines.

_____ Appropriate safety impact positions have been designated for employee positions performing on the City of Houston contract. The number of employees in safety impact positions during this reporting period is

_____ From _____ to _____ the following test has occurred
Initials (Start date) (End date)

Random Reasonabl Post
e Suspicion Accident Total

Number Employees Tested

Number Employees Positive

Percent Employees Positive

_____ Any employee who tested positive was immediately removed from the City worksite
Initials consistent with the Mayor's Policy and Executive Order No. 1-31.

_____ I affirm that falsification or failure to submit this declaration timely in accordance with
Initials established guidelines will be considered a breach of contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in this declaration are within my personal knowledge and are true and correct.

(Date)

(Typed or Printed Name)

(Signature)

(Title)

Performance Bond

KNOW ALL MEN BY THESE PRESENTS, that We Synagro of Texas - CDR, Inc., as Principal, and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, One Newark Center, 20th Floor, Newark, NJ 07102-5207, as Surety, are held and firmly bound unto the City of Houston as Obligee, hereinafter called the Obligee, in the penal sum of One Million Five Hundred Thousand Dollars and 00/100 for which payment well and truly to be made we do bind ourselves, our heirs, executors, administrators and assigns, firmly by these presents,

THE CONDITION OF THIS OBLIGATION IS SUCH, that:

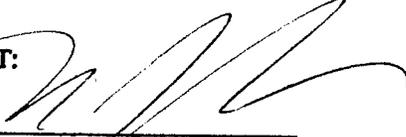
WHEREAS, the Principal entered into a certain contract more fully described as Agreement for Dewatering, Processing, Hauling and Disposal of Biosolids for the Wastewater with the Obligee, dated _____ for which Agreement therefore shall be deemed a part hereof as fully as if set out herein, and is hereafter referred to as the "Contract".

NOW THEREFORE, if the principal shall comply with the terms, conditions and requirements expressed in the Contract provided, then this obligation to be void, otherwise to remain in full force and effect, subject however to the following limitations:

1. That this bond will cover an annual period beginning on February 21, 2008 and ending on February 21, 2009, at which time this bond will expire irrespective of the term of the Contract. Expiration of the bond does not constitute default. The Surety can, at its discretion, offer a renewal by continuation certificate for additional annual period(s). The Surety, however, will remain liable for any defaults occurring during the period up to the expiration of the bond;
2. That if the Surety shall so elect, this bond may be cancelled by giving 30 days written notice to the Obligee. Said notice shall contain full name, city, and state where the Principal is located. The Surety, however, will remain liable for any defaults occurring during the period up to the expiration of said 30 days notice and such 30 day period shall begin only upon receipt of said notice by the Obligee;
3. That the Obligee shall notify the Surety of any default of the Principal hereunder, at the earliest possible time following the discovery of such default and in any event not more than 90 days after such discovery by the Obligee;
4. That in no event shall the Surety be liable for a greater amount than that shown above;
5. That the Surety shall not be subject to any suit, action or proceeding hereunder instituted later than 6 months following the expiration or termination hereof unless, prior to or within such 6 month period, the Obligee has notified the Surety of a default of the Principal hereunder.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their several seals this _____ the name and corporate seal of each corporate party being affixed hereto and these presents duly signed by its undersigned representatives, pursuant to authority of its governing body.

ATTEST:


Thomas J. Birtz, Asst. Secretary

Synagro of Texas - CDR, Inc.
Principal

BY: _____ (seal)
Name: Robert C. Boucher, President
Title:

ATTEST:


Shona D. Holmes

International Fidelity Insurance Company
Surety

BY: Mary Pierson
Name: Mary Pierson
Title: Attorney-in-Fact



Surety Phone No.

Tel (973) 624-7200

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

Mary Pierson as attorney-in-fact to execute the following Surety bond:

Surety Bond Number: 0418443
Principal: Synagro of Texas - CDR, Inc.
Obligee: City of Houston

and the execution of such instrument in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



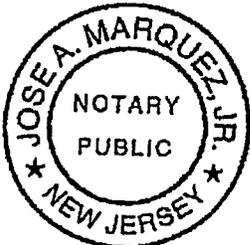
IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 29th day of August, A.D. 2003.

STATE OF NEW JERSEY
County of Essex

INTERNATIONAL FIDELITY INSURANCE COMPANY

[Handwritten Signature]
Secretary

On this 29th day of August 2003, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

[Handwritten Signature]

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 21, 2010

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of _____

[Handwritten Signature]
Assistant Secretary

CERTIFICATE OF INSURANCE

Date: (MM/DD/YY)
1/30/2008

PRODUCER
Lockton Companies, LLC
5847 San Felipe, Suite 320
Houston, Texas 77057

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED:
Synagro of Texas-CDR, Inc.
1002 Village Square, Suite C
Tomball, TX 77375

INSURERS AFFORDING COVERAGE

Insurer A:	American International Specialty Lines Ins. Co.
Insurer B:	Liberty Mutual Fire Insurance Co.
Insurer C:	Liberty Insurance Corporation
Insurer D:	
Insurer E:	

VENDOR 106478

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY BE EXHAUSTED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS
A	GENERAL LIABILITY	EG 5430756	11/01/2007	05/01/2009	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (ANY ONE FIRE) \$ 1,000,000
	<input checked="" type="checkbox"/> OCCURRENCE				MED EXP (PER PERSON) \$ 10,000
	<input checked="" type="checkbox"/> XCU NOT EXCLUDED				PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE \$ 2,000,000
<input checked="" type="checkbox"/> PROJECT	PRODUCTS/COMP. OP. AGG \$ 2,000,000				
B	AUTOMOBILE LIABILITY	AS2-691-437721-017	05/01/2007	05/01/2008	COMBINED SINGLE LIMIT (EACH ACCIDENT) \$ 2,000,000
	<input checked="" type="checkbox"/> ANY AUTO				DEDUCTIBLE: COLLISION & OTHER THAN COLLISION \$ 1,000
	<input type="checkbox"/> ALL OWNED AUTOS				OTHER THAN COLLISION \$ 1,000
	<input checked="" type="checkbox"/> HIRED AUTOS				EACH LOSS \$ 3,000,000
<input checked="" type="checkbox"/> NON-OWNED AUTOS	TOTAL ALL LOSSES \$ 3,000,000				
A	POLLUTION & REMEDIATION LEGAL	EG 5430756	11/01/2007	05/01/2009	INTERMODAL CONTAINERS \$ 3,000,000
					RETENTION - EACH LOSS \$ 250,000
					EACH OCCURRENCE \$ 5,000,000
A	EXCESS LIABILITY/UMBRELLA	BE 885-94-32	11/01/2007	05/01/2009	AGGREGATE \$ 5,000,000
	<input checked="" type="checkbox"/> OCCURRENCE				RETENTION \$ 10,000
<input type="checkbox"/> CLAIMS MADE					
C	WORKERS' COMPENSATION and EMPLOYERS LIABILITY	WA7-69D-437721-027 (AOS) WC7-691-437721-037 (WI)	05/01/2007 05/01/2007	05/01/2008 05/01/2008	WORKERS' COMPENSATION STATUTORY
					EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE-EA EMPLOYEE \$ 1,000,000
					EL DISEASE-POLICY LIMIT \$ 1,000,000
A	PROFESSIONAL & POLLUTION LEGAL - GENERAL CONTRACTOR'S FORM	COPS2334591	05/01/2007	05/01/2009	EACH CLAIM \$ 3,000,000
					AGGREGATE \$ 3,000,000
					RETENTION \$ 100,000

REMARKS: DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT PROVISIONS:

CHECK BOX BLANKET WAIVER OF SUBROGATION IS GRANTED IN FAVOR OF CERTIFICATE HOLDER ON ALL POLICIES WHERE REQUIRED BY WRITTEN CONTRACT WHERE PERMISSIBLE BY LAW.

CERTIFICATE HOLDER IS NAMED AS AN ADDITIONAL INSURED (EXCEPT FOR WORKERS' COMP/EL) WHERE REQUIRED BY WRITTEN CONTRACT.

Re: Contract Number S37-T22542; Project Description: Dewatering, Processing, Hauling and Disposal of Biosolids for the Wastewater Operations Branch, Public Works and Engineering Department; Project Location: Houston, TX. Additional Insured in favor of the City of Houston and its Officers, Agents, and Employees (on all policies except Workers' Compensation/EL) where and to the extent required by written contract. Waiver of Subrogation in favor of the City of Houston and its Officers, Agents, and Employees on all policies where required by written contract where permissible by law. The Insurance afforded to the Additional Insured as Described in this Certificate of Insurance for work performed by the Named Insured is primary and non-contributory to any similar coverage maintained by the Additional Insured where and to the extent required by contract.

CERTIFICATE HOLDER:

City of Houston
Finance & Administration, SPD
Attn: Joyce Hays, Senior Procurement Specialist
P.O. Box 1562
Houston, TX 77251

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. *EXCEPT 10 DAYS NOTICE FOR NON-PAYMENT.

AUTHORIZED REPRESENTATIVE *J. Kelly*