



MEMORANDUM

Date: May 6, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

cc: Todd Stoughton
Assistant City Manager

From: Matt Willman
Utilities Director

Subject: Change Order to OMI Purchase Order addressing Waste Management increase in sludge hauling rates for the remainder of FY2025. (file id 25-3738)

KH

Introduction

Waste Management (WM) has put forward an increase in sludge hauling rates applicable to the operations of the Wastewater Treatment Plant (WWTP). Accordingly, the current fee due OMI needs to be adjusted to accommodate this increase of 2.9%.

Background

The City has contracted operations of the WWTP with OMI/Jacobs for many years. A part of the annual budget and agreement with OMI is Contract Hauling of sludge.

This increase is outside the control of Jacobs and pertains to a change in landfill locations where WM disposes of the sludge. Due to operational issue, the Medley landfill (current site) can no longer accept sludge, and the next nearest available location is the Okeechobee Landfill which is 125 miles further away.

This is becoming a geographical concern that the landfills in southeast Florida are filling up and the waste generated by the mass population must be transferred further away from the point of origin.

Procurement

As such the change in distance between the point of origin and the new point of disposal represents a higher overall budget and need for a change order. The previous WM rate was \$84.46/ton, and a new rate of \$113.16/ton is requested, equivalent to a 33% increase in hauling. The projected +/-1400 tons generated throughout the remaining fiscal year will consume the increase shown below.

Key West CY12 (Oct 2024-Sept 2025)	
Project:	Key West
Scope:	Current Scope
CY12 Original Fee:	\$6,959,583.00
WM Sludge Hauling Cost Adjustment:	\$179,546.00
CY12 Revised Fee:	\$7,139,129.00

The increase of \$179,546 to the PO will be pulled from acct 4013501-5359803 (Reserves) and transferred via a budget transfer to acct 4013504-5353400 (Contractual Services).

Recommendation

The City Manager's Office recommends the Mayor and Commission approve the resolution authorizing the City Manager to execute the change order documents upon review of the City Attorney's office and authorize necessary budget transfers.