

RESOLUTION NO. 25-241

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA APPROVING THE ATTACHED FIFTH AMENDMENT TO THE OPERATION, MAINTENANCE AND MANAGEMENT SERVICES AGREEMENT BETWEEN OPERATIONS MANAGEMENT INTERNATIONAL, INC. (OMI) AND THE CITY OF KEY WEST, FLORIDA FOR THE CITY'S WASTEWATER FACILITIES DELETING SECTIONS 3.2.7.b and 3.2.7.c OF THE AGREEMENT; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS, ADMINISTRATIVE ACTIONS AND/OR BUDGET TRANSFERS/ ADJUSTMENTS, UPON CONSENT OF THE CITY ATTORNEY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, via Resolution No. 13-304, the City Commission approved an Agreement with Operations Management International, Inc. (hereinafter "OMI") to operate, maintain and manage the City's Wastewater Treatment Facilities; and

WHEREAS, Resolution No. 18-366 authorized the First Amendment to the Agreement for the operation, maintenance and management services to remove electrical power charges as a direct cost and renew the terms of the agreement for a five-year term; and

WHEREAS, Resolution No. 21-159 authorized the Second Amendment to the Agreement for operation, maintenance and management services to adjust the procurement expenditure limit and add two (2) stormwater pump stations to Exhibit B. *Facilities.*; and

WHEREAS, Resolution No. 23-247 authorized the Third Amendment to the Agreement for the operation, maintenance and management services to extend the term to align with the fiscal year; and

WHEREAS, Resolution No. 24-181 authorized the Fourth Amendment to the Agreement for the operation, maintenance and management services to extend the term for five (5) years; and

WHEREAS, City staff and OMI desire to amend certain provisions of the Agreement to remove sludge hauling from the Agreement, specifically Sections 3.2.7.b. *Removal of Non-Processible Waste.* and 3.2.7.c. *Removal of Process Residue;*

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the Commission hereby approves the Fifth Amendment to the Agreement deleting Section 3.2.7.b *Removal of Non-Processible Waste.* and Section 3.2.7.c *Removal of Process Residue.* of the Agreement for Operations, Maintenance and Management Services for the City's wastewater facilities is hereby approved.

Section 2: That the City Manager, upon the advice and consent of the City Attorney, is authorized to execute any necessary documents, administrative actions and/or budget transfers, upon consent of the City Attorney.

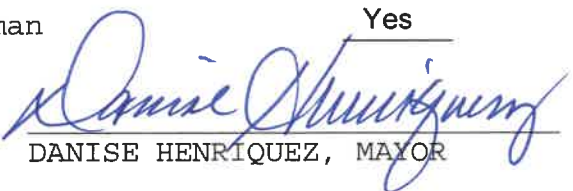
Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 3rd day of September, 2025.

Authenticated by the Presiding Officer and Clerk of the Commission on the 3rd day of September, 2025.

Filed with the Clerk on September 3, 2025.

Mayor Danise Henriquez	<u>Yes</u>
Vice Mayor Donald "Donie" Lee	<u>Yes</u>
Commissioner Lissette Carey	<u>Yes</u>
Commissioner Aaron Castillo	<u>Yes</u>
Commissioner Monica Haskell	<u>Yes</u>
Commissioner Mary Lou Hoover	<u>Absent</u>
Commissioner Sam Kaufman	<u>Yes</u>


DANISE HENRIQUEZ, MAYOR

ATTEST:


KERI O'BRIEN, CITY CLERK



MEMORANDUM

Date: September 3, 2025

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

From: Matt Willman
Utilities Director

Subject: **Approve a Fifth Amendment to the Agreement for Operation, Maintenance, and Management Services for the City of Key West, Florida, Wastewater Facilities. Removing Sludge Hauling from the Agreement Between the City of Key West and Operations Management International, Inc. (OMI. (File ID 25-4312)**

Introduction

Staff recommends the Mayor and City Commission approve the 5th Amendment to the agreement with Operations Management International, Inc., (OMI) for operation, maintenance, and management of the wastewater treatment facility and collection / transmission system, by amending "Paragraph 3.2.7.b pertaining to the removal of non-processible waste" and "Paragraph 3.2.7.c pertaining to the removal of process residue" by deleting OMI's obligations under the Agreement for Operations, Maintenance, and Management Services for the City of Key West, Florida, Wastewater Facilities.

Background

The Agreement between the City of Key West and OMI was entered into on March 24, 2014, and specified obligations were par. 3.2.7.b and par. 3.2.7.c to remove "Non Processible Waste" i.e., screenings, grit and sludge.

Per the agreement, paragraph 2.7, the Contractor shall apply a management fee to total budget direct cost, or indirect costs at a rate 13.75% over cost. Sludge Hauling continues to increase and has been budgeted in the amount of \$809,912 for FY2026. The management fee on this line item alone will be +/- \$110,000. By bringing the task of Sludge Hauling in house the City may save the 13.75% fee with minimal extra work to the department.

The current sludge hauling contract with OMI expires 9/30/2025, thus being the proper time to revise & re-align as a City contract agreement with WM Inc. for said services.

In 2018, Resolution 18-366 amended the contract to reduce direct costs by allowing the city to pay electrical power charges directly to Keys Energy Services. This is another action that reduced City expenses.

A sole proposal has been submitted by Waste Management Inc. of Florida to provide the services of sludge transportation and disposal. A separate resolution shall also direct the City Manager or his designee, to begin negotiations, develop an agreement, and execute said agreement prior to October 1, 2025.

Procurement

OMI operates, maintains, and manages the Richard A. Heyman Environmental Protection Facility, and wastewater and stormwater collection and transmission systems on a cost-plus basis with an incentive to return surplus budgeted funds to the city. Under the contract and current five-year term, OMI has operated under budget and returned surplus funds to the city through the reconciliation process in past years.

In an effort to save costs and reduce the overall Sewer budget this amendment will reduce the total budget by nearly \$110,000.

The city commission will approve the Fiscal Year 25/26 budgets for operation, maintenance, and management of the Richard A. Heyman Environmental Protection Facility, and wastewater and stormwater collection and transmission systems. The preliminary fy26 budget is \$6,556,817.00 for the Treatment Plant Operation and Collection System Ops. And \$821,036.00 for Stormwater Maintenance and Operations.

Recommendation

The City Manager's Office recommends the Mayor and City Commission approve the Fifth Amendment to the agreement with OMI for operation, maintenance, and management of the wastewater treatment facility and collection/transmission system, in accordance by amending "Paragraph 3.2.7.b pertaining to the removal of non-processible waste" and "Paragraph 3.2.7.c pertaining to the removal of process residue" by deleting OMI's obligations, for Operations, Maintenance, and Management Services for the City of Key West, Florida, Wastewater Facilities, authorizing the city manager to execute necessary agreements, budget transfers, and paperwork upon consent of the city attorney.

FIFTH AMENDMENT TO
AGREEMENT FOR OPERATION, MAINTENANCE,
AND MANAGEMENT SERVICES FOR
THE CITY OF KEY WEST, FLORIDA, WASTEWATER FACILITIES

This Fifth Amendment to the Agreement is made and entered into this 5th day of September 2025, by and between the City of Key West, Florida, (hereinafter the "City") and Operations Management International, Inc., (hereinafter "OMI").

WITNESSETH:

WHEREAS, the City entered into an Agreement ("Agreement") with OMI on March 1, 2014, for a period of five years upon certain terms and conditions, with first renewal 5-year term, and a second 5-year renewal term; and

WHEREAS, City and OMI desire to amend certain provisions of the Agreement;

NOW THEREFORE, in mutual consideration of the benefits conferred upon the parties by the terms of this Amendment, the City and OMI agree to modify the Agreement as follows:

1. Paragraph 3.2.7.b pertaining to the removal of non-processible waste is hereby deleted from OMI's obligations under this Agreement.
2. Paragraph 3.2.7.c pertaining to the removal of process residue is hereby deleted from OMI's obligations under this Agreement.

All other terms and conditions of the Agreement dated March 1, 2014, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have signed the day and year first above written.



ATTEST:

City Clerk

CITY OF KEY WEST

Brian L. Barroso
City Manager

WITNESS

OPERATIONS MANAGEMENT INTERNATIONAL, INC.

Andy Rouse

Andy Rouse, Vice President
Print Name and Title

Print Name

Reviewed for Legal Sufficiency:

[Signature]