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**Operations Management**  
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March 20, 2025

Attn: Matt Willman  
Utility Director  
City of Key West  
1300 White Street  
Key West, FL 33040

Project name: Key West – Operations & Maintenance

**Subject: Adjustment of CY fee to address WM increase in sludge hauling rates**

Dear Matt,

Waste Management has put forward an increase in sludge hauling rates applicable to the project. Accordingly, the current CY fee needs to be adjusted to accommodate this increase. Such increase has been outside of the control of Jacobs and pertains to a change in landfill locations where WM disposes of the sludge. Due to operational issues, the Medley Landfill site (current site) can no longer accept sludge and next nearest available landfill that can accept sludge is the Okeechobee Landfill (new site), which is 125 miles further away.

As such, the change in distance between the point of origin and point of disposal represents a change in scope, along with a commensurate increase in cost. The previous WM rate was \$84.46/ton and the revised rate is \$113.16/ton, equivalent to 33% increase. In accordance with Clause 5.5 (Change in Scope) Jacobs respectfully submits this fee request for the City's consideration, as 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:	<b>\$7,139,129.00</b>

Date: 20 March 2025


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**Jacobs**

Based on the above, the current Jacobs fee requires adjustment to \$7,139,129.00 due to the new WM sludge hauling rate and corresponding increased cost. Such adjustment is applicable from December 2024 onwards and prorated accordingly in the above revised fee. While such unexpected cost increases can be concerning, the cost plus nature of this contract ensures the City will only be charged for actual disposal volume, with annual reconciliation on the overall Jacobs fee.

I appreciate your positive consideration of this fee adjustment and remain at your disposal.

Kind regards,

A handwritten signature in black ink, appearing to read "Andy Rouse", followed by a period.

Andy Rouse

Vice President

813-215-1865

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Copies to: Rick Cleaver