

ADMINISTRATION

Kristine Tallent

Assistant City Administrator/CFO
Finance & Administration



Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

HISTORIC FRANKLIN TENNESSEE

December 17, 2018

Ms. Stephanie Peterson, Contract Compliance Rep.
Waste Management, Inc. of Tennessee /
Cedar Ridge Landfill
2340 Mooresville Highway
Lewisburg, TN 37091

(sent via e-mail to speter15@wm.com)

Re: City of Franklin Purchasing Office solicitation no. 2016-010
(WRF sanitary landfill disposal of biosolid sludge);
City of Franklin contract no. 2015-0353;
first option to extend term of service; notice of intent to exercise

Dear Waste Management, Inc. of Tennessee / Cedar Ridge Landfill:

The City of Franklin seeks to exercise the first of two options to extend the term of service with Waste Management, Inc. of Tennessee / Cedar Ridge Landfill for the purchase referenced above. As you recall, the effective date of the award was January 1, 2016. In accordance with the referenced solicitation, the term of this award was to expire December 31, 2018 but at any time prior to or upon the expiration of this term of service, the City and the vendor awarded the contract may, by mutual consent, exercise an option to extend the term of service twice, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total, provided: (a) that both parties consent to such an extension at that time; (b) that the decision to exercise such an extension is memorialized in writing and is executed by authorized representatives of each party; (c) that the same terms and conditions that apply to the original term of award shall also apply to such an extension, except for the quoted unit pricing (which is to be adjusted for inflation) as specified in the signed Procurement Agreement; and (d) that if the vendor chooses not to consent to an extension to the term of award, then it shall notify the City of that decision a minimum of six (6) months in advance of the scheduled expiration of the term of award. Note that the City and the vendor awarded the contract each retain the non-exclusive right, with or without cause, not to extend the term of award.

Waste Management's quoted unit pricing for sanitary landfill tipping services (\$31.11 per ton) applied only through December 31, 2018. If the term of service is extended beyond this date pursuant to the provision above for exercising such an option, then the quoted unit pricing for sanitary landfill disposal of biosolid sludge shall be adjusted exactly once for each such extension and exactly by the percentage change between the then most recent U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index-U, U.S. City Average, All Items Less Food and Energy, not seasonally adjusted, for the South Urban Statistical Area, in comparison with the like index figure descriptive for the month of October, 2015, provided that such percentage change shall be no less than 2.5% per year and no greater than 5.0% per year; thus, the price increase from the initial term of award for the first optional extension (the fourth year), if exercised, shall be not less than 7.5% and not greater than 15%, and the price increase from the initial term of award for the second optional extension (the fifth year), if exercised, shall be not less than 10% and not greater than 20%.

Using the index for November 2018 (248.971 – see attached), “in comparison with the like index figure descriptive for the month of October 2015” (235.281), I calculate a rate adjustment (from the initial rate) of about



5.8%. However, as this rate adjustment would be less than the 7.5% minimum referenced above and as specified in the signed Procurement Agreement, a rate adjustment (from the initial rate) of 7.5% shall apply. Applying this 7.5% minimum percentage increase to the entire initial tipping fee of \$31.11 per ton (including the State of Tennessee fee and the host county fee components) results in the new tipping fee of \$33.44 per ton effective January 1, 2019.

Please accept this letter as the City's notice of its intent to exercise this first option to extend the term of service, effective January 1, 2019 and through December 31, 2019. If Waste Management, Inc. of Tennessee / Cedar Ridge Landfill consents to this extension, please:

- so indicate by signing below and returning this letter to me; and
- update the City's file by providing, by December 20, 2018, the City with one or more certificates of insurance for current coverage that meets or exceeds the City's insurance requirements as indicated or referenced in the procurement agreement / contract pertaining to this procurement.

On behalf of the City of Franklin, thank you for your interest in continuing to do business with the City. Please let me know if you have any questions or concerns.

Sincerely,

Brian W. Wilcox

Brian W. Wilcox
Purchasing Manager
615/550-6614
brianw@franklin.tn.gov

cc: Michelle Hatcher, City of Franklin Director of Water Management
Juan Davis, City of Franklin Water Reclamation Superintendent
Suzanne Ward, City of Franklin Purchasing Analyst

Option to extend term of service through December 31, 2019 accepted by Waste Management, Inc. of Tennessee / Cedar Ridge Landfill:

Stacey Arthur

Signature of vendor's authorized representative

Dr. Industrial Acmt Mgr.

Title of vendor's authorized representative

12/20/18

Date


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Data extracted on: December 13, 2018 (5:52:38 PM)

CPI-All Urban Consumers (Current Series)

Series Id: CUUR0300SA01E
 Not Seasonally Adjusted
 Series Title: All items less food and energy in South urban, all urban consumers, not seasonally adjusted
 Area: South
 Item: All items less food and energy
 Base Period: 1982-84=100

 Download: [XLS](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2008	204.364	204.972	205.668	205.977	206.139	206.567	206.800	207.182	207.590	207.759	207.604	207.137	206.480	205.615	207.345
2009	207.777	208.532	209.726	210.296	210.231	210.652	210.544	210.414	210.937	211.677	211.544	211.281	210.301	209.536	211.066
2010	211.383	211.842	212.433	212.424	212.191	212.323	212.153	212.422	213.088	213.359	213.346	213.055	212.502	212.099	212.904
2011	213.345	214.278	215.028	215.481	215.797	215.935	216.131	216.946	217.224	217.859	218.239	218.193	216.205	214.977	217.432
2012	218.533	219.214	220.157	220.656	220.842	221.168	221.077	221.072	221.714	222.271	222.453	222.379	220.961	220.095	221.828
2013	222.953	223.800	224.480	224.596	224.665	224.958	225.113	225.448	225.964	226.501	226.450	226.548	225.123	224.242	226.004
2014	226.811	227.623	228.623	229.092	229.442	229.503	229.353	229.610	230.096	230.790	230.855	230.362	229.347	228.516	230.178
2015	230.483	231.318	232.551	233.346	233.433	233.667	233.509	233.821	234.530	235.281	235.362	235.053	233.530	232.466	234.593
2016	235.655	236.605	237.529	238.141	238.541	238.813	238.614	239.128	239.360	239.956	240.109	240.074	238.544	237.547	239.540
2017	240.848	241.776	241.945	241.993	242.182	242.601	242.224	242.892	243.392	244.024	243.990	243.786	242.638	241.891	243.385
2018	244.776	246.177	247.101	247.394	247.583	247.774	248.016	247.642	247.871	248.518	248.971			246.801	

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