

Ron Chandler

From: Allen, Lance <lallen8@wm.com>
Sent: Friday, May 03, 2013 9:30 AM
To: Ron Chandler
Subject: Agreement Extension
Attachments: CONTRACT EXTENSION AGREEMENT 2013.docx

Ron,

I am going to send two separate emails with two separate extension agreements. One extension will reflect the current rates charged the City and the second email will contain an extension which incorporates the average fuel surcharge for the prior 12 months.

The one attached here contains the *same rates* currently charged the City.

Let me know if you have any questions, otherwise I will see you at the May 28th Council Meeting.

Regards,

Lance

C. Lance Allen
Manager
Public Sector Solutions, Four Corners Area
Lallen8@wm.com

Waste Management of the Four Corners
Tel 801 282 8256
Cell 801 430 6564

Recycling is a good thing. Please recycle any printed emails.

CONTRACT EXTENSION AGREEMENT

This **CONTRACT EXTENSION AGREEMENT** is made and entered into this the _____ day of _____, 2013, by and between North Ogden City, a Municipal Corporation of the State of Utah hereinafter referred to as the "City", and Waste Management of Utah, Inc. hereinafter referred to as "Contractor".

WHEREAS, The City and Contractor are parties to an Agreement to provide automated residential solid waste and recyclable collection services, dated June 1, 1995: and

WHEREAS, that Agreement may be extended upon terms that are mutually agreed upon: and

WHEREAS, the City Council has determined that it is in the public interest to extend the Contract for an additional one-year term with the Contractor.

NOW THEREFORE, based upon the foregoing recitals, the parties hereby agree as follows:

1. **Term.** The term of the agreement is hereby extended from July 1, 2013 through June 30, 2014, upon the terms and conditions of the original Agreement not expressly modified herein.
2. **Service Rates.** The current service rates are hereby guaranteed for the term of this extension. The rates are as follows:

First Waste Container:	\$3.64 per month per residential unit
Each Additional Waste Container:	\$1.22 per month per residential unit
First Recycling Container:	\$2.21 per month per residential unit
Each Additional Recycling Container:	\$2.21 per month per residential unit

3. **Fuel Surcharge.** A monthly fuel protection as agreed to in the Contract Extension Agreement dated June 23, 2008 will continue to apply to this extension. The fuel surcharge calculation shall be tied directly to the figures and formulas set forth in the attached Fuel Surcharge Table with an activation baseline rate of \$2.53 per gallon. The fuel surcharge shall be based upon the most current price per gallon charged Waste Management of Utah prior to the City's monthly invoice date.

IN WITNESS WHEREOF, the parties hereto have executed this Contract Extension Agreement to be executed this day and year first above written.

NORTH OGDEN CITY

WASTE MANAGEMENT OF UTAH, INC.

By: _____
Richard Harris, Mayor

By: _____
Scott Bradley, Vice-President

Attest: _____
S. Annette Spendlove, City Recorder

Ron Chandler

From: Allen, Lance <lallen8@wm.com>
Sent: Friday, May 03, 2013 9:30 AM
To: Ron Chandler
Subject: Agreement extension w/o variable fuel surcharge
Attachments: CONTRACT EXTENSION AGREEMENT 2013 (No Fuel).docx

Ron,

This second email contains an extension that incorporates the average fuel surcharge for the prior 12 months. The average was about \$1,750.00 per month, which equates to \$0.33 per home. I split the amount between the waste and recyclable collection rates, (\$0.17 Waste and \$0.16 Recycling).

My thoughts were this would help the City's monthly budget, with a constant rather than a variable fee. Obviously, the risk is one of us may pay more or lose out on charges, but based on the trend WM is more likely to incur the greatest risk due to the increasing higher fuel costs.

Let me know if you have any questions, otherwise I will see you at the May 28th Council Meeting.

Regards,

Lance

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WHEREAS, that Agreement may be extended upon terms that are mutually agreed upon: and

WHEREAS, the City Council has determined that it is in the public interest to extend the Contract for an additional one-year term with the Contractor.

NOW THEREFORE, based upon the foregoing recitals, the parties hereby agree as follows:

1. **Term.** The term of the agreement is hereby extended from July 1, 2013 through June 30, 2014, upon the terms and conditions of the original Agreement not expressly modified herein.
2. **Service Rates.** The service rates below include the prior 12 month average fuel surcharge of \$0.33 per home. The surcharge was split between the first container of each service as follows - \$0.17 First Waste Container and \$0.16 First Recycling Container. The rates are hereby guaranteed for the term of this extension. The rates are as follows:

First Waste Container:	\$3.81 per month per residential unit
Each Additional Waste Container:	\$1.22 per month per residential unit
First Recycling Container:	\$2.37 per month per residential unit
Each Additional Recycling Container:	\$2.21 per month per residential unit

3. **Fuel Surcharge.** A monthly fuel protection will not be charge for the term of this extension

IN WITNESS WHEREOF, the parties hereto have executed this Contract Extension Agreement to be executed this day and year first above written.

NORTH OGDEN CITY

WASTE MANAGEMENT OF UTAH, INC.

By: _____
Richard Harris, Mayor

By: _____
Scott Bradley, Vice-President

Attest: _____
S. Annette Spendlove, City Recorder