
AGENDA ITEM SUMMARY

Subject: T&W Grinding Services – Shaw Ave Dump

Background Summary:

T&W Grinding Services is the company that grinds our brush at the Shaw Avenue Dump. The enclosed agreement is the first agreement update in ten years (circa 2012). It calls for an annual sum of \$26,956 paid quarterly for grinding services. The agreement in 2012 was for \$24,000 a year and we've seen small incremental changes every now and then based under that original agreement. We really like working with them and they've generally treated us well.

The overall change in ten years, 12.3% is not too bad at all. What caught my attention was the fuel surcharge language change. In both the 2012 and the newly proposed 2022 agreement there was language that implemented a fuel surcharge however the 2012 went into effect at diesel over \$4.00 a gallon and the new 2022 agreement has a base value of diesel over \$2.50 a gallon. So it reads as follows:

City shall pay an additional fuel charge. This contract is based upon \$2.50 off road fuel prices. A 3% additional charge for each 25-cent increase will be added until prices return to \$2.50.

With the new contract we will likely be paying a fuel surcharge for quite some time, perhaps in perpetuity. That being said this is a one-year agreement.

The way it calculates out with \$5.00 Diesel = ten 25-cent increments over \$2.50 make it ten 3% steps which equates to a 30% surcharge to our quarterly fee of \$6,739 adding \$2,021.70 to the bill making the quarterly payment \$8,769.70, or \$35,042.80 per year.

For comparison our annual charge for FY22 was: \$24,960; in FY23 at \$35,043 will add roughly \$10,000 to the annual cost. It is a fuel intense job as they are onsite grinding and burning fuel for the better part of a couple days each time they come. We also (due to Emerald Ash Borer) have more and more debris to grind these days as well, so this might not as bad of a deal as it looks at the onset.

That being said I've reached out to colleagues to see who might be using other contractors that are generally in the area, to see about getting a proposal from another provider. I've heard back from a couple regional cities including Webster City and Marshalltown. So I have some potential leads that we could look into. We would need to get a better handle on what we have for volume to get quotes from all providers that we choose.

I will say that T&W Grinding does good work, they clean up after themselves and we are on their regular rotation for coming in to do the grinding. I would have no qualms about renewing the contract and staying with them since it is such a well oiled operation. Staying with them will likely impact the budget with the added \$10,000 a year in fuel & grinding costs resulting in an increase in the Waste Fee on utility bills, but others may impact as well. Thoughts or preferences?

AGREEMENT

AGREEMENT made this 1 day of July 2022 and between City of Charles City , Iowa , A Municipal Corporation (City) and T & W Grinding and Compost Services, LLC. And Iowa Liability Company (T & W).

RECITALS

- A. City maintains a compost site for use for city residents.
- B. City desires to contract with T&W to provide grinding and compost services

IN CONSIDERATION OF THE MUTUAL COVENANTS AND BENEFITS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. *Term*, This Agreement shall become effective 1 July 2022 and shall remain in force for an initial term of (1) year. The Agreement shall continue from year to year, unless terminated by either party at the end of the initial term or any subsequent contract year by giving the other party ninety (90) days written notice to that effect.

2. *City Obligations, City shall:*

- a. Push all material deposited by residents into a pile at the dump site.
 - b. Dispose of any non compostables.
 - c. Provide a source for water.
 - d. Dispose of any screened material. If screened material is sold, City shall be responsible for all testing costs.
 - e. In the event of a storm, materials shall be piled separately or marked. T&W and City shall determine a proper course of action at that time.
3. *T&W Obligations, T&W Shall:*
- a. Grind all material - as required
 - b. Form windrows

- c. Turn windrows as necessary
- d. Screen the finished compost. Once per year or as material is ready.

4. Indemnification,

In the performance of this Agreement, T&W is an independent contractor, the city being interested only in the result obtained, and the manner and means of conducting such work will be under the sole control of T&W. However, all work performed under this Agreement shall be done in accordance with the provisions of this Agreement and shall be subject to the continued right of inspection by City's representatives. T&W will be entirely and solely responsible for all acts and the act of contractor's agents, employees, and subcontractors, while engaged in the performance of work contracted for in this Agreement. Contractor, and its successors or assigns, agree to indemnify and hold harmless city against all claims, demands, suits, or judgements asserted, made or recovered by any and all persons on account of acts or omissions of T&W, its agents employees, or sub-contractors, during the performance of the work contracted for in this Agreement. Similarly, T&W agrees to indemnify City for loss or damage to any of City's property or equipment used or obtained in connection with the work to be performed under this Agreement.

5. Insurance.

a. T&W shall carry or require that there be carried worker's compensation insurance for all its employees and those of its sub-contractors engaged in work at the site in accordance with Iowa law.

b. T&W shall carry or require that there be carried public liability insurance with minimums of one million dollars for each individual accident and two million dollars for each occurrence of accidental injury to protect T&W or its sub contractors against claims for injury to or death of any person or persons due to accidents that may occur or result under this Agreement.

c. City of Charles City will be added to this policy.

6. Rates and Charges

a. City shall pay the sum of \$26,956_ to T&W, payable in quarterly installments of \$6,739 commencing 1Oct 2022 and continuing quarterly until paid in full.

b. City shall pay an additional fuel charge. This contract is based upon \$2.50 off road fuelprices. A 3% additional charge for each 25 cent increase will be added until prices return to \$2.50.

Fuel charges will be assessed quarterly.

c. Storm grinding shall be billed at the rate of \$600.00 per hour per event.

However,

composting and screening will be at no additional charge.

d. Catastrophic storm damage requiring FEMA assistance well be charged at FEMA rates. Large stumps and logs (in excess of 30 inch dia.) Are ground at the rate of \$600.00 per hour due t to the extra handling requirments.

f. Tree removal ; This contract is for residents and general yard waste on a normal year. Tree removal materials will be charged for processing.

7. Materials from other communities

This Agreement is for composting services for residents of the city of Charles City Iowa only. Material from other communities will incur an additional charge.

8. Modification of Agreement.

Any modification of this Agreement of additional obligation assumed b either party in connection with this Agreement shall be binding only if reduced to writing and signed by an authorized representative of each party.

9. Notices.

Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth on this Agreement. Notices to T&W shall be sent to T&W Grinding, po box 254 Delhi Iowa 52223. Notices to the city shall be sent to City of Charles City _attn; City Manager.

10. Compliance with ordinances and regulations.

T&W activities under this Agreement shall be in complete accord with all ordinances and regulations of city now in effect or later adopted.

City of Charles City Iowa

By-----

T&W Grinding and Compost Services, I.L.C
Randy Thuman Title Owner