



City of Reedley

Public Works Department
1733 Ninth Street
Reedley, CA 93654
(559) 637 4200
FAX 637 2139

February 8, 2019

Kochergen Farms Composting, Inc.
P.O. Box 11006
Fresno, CA 93771

Re: City of Reedley's Extension of Green Waste Service Agreement

Dear Mr. Kochergen:

The term of the current Agreement for Disposal Services of Green Waste Material ("Agreement"), entered into between the City of Reedley ("City") and Kochergen Farms Composting, Inc. ("Contractor"), is set to expire March 2, 2019. Please consider this letter as the City's intent to extend the term of the Agreement.

The City hereby exercises its option, pursuant to Section 2.1 (Term and Option to Extend), to extend the term of the Agreement five (5) years, beginning on March 3, 2019, and ending March 2, 2024. Compensation pursuant to the Agreement shall be amended to reflect a new tonnage fee in the amount of \$20.09 per ton, starting March 3, 2019.

All terms and conditions set forth in the Agreement will remain unchanged, with the exception of the term expiration date and adjusted compensation pursuant to Article 5 (Compensation) of the Agreement.

By the signatures of the authorized representatives below, the parties hereby agree to the extension of the Agreement on the terms set forth herein.

IT IS SO AGREED:

KOCHERGEN FARMS COMPOSTING, INC.


Dated: February 12, 2019


Mike J. Kochergen,
President

IT IS SO AGREED:

CITY OF REEDLEY

Dated: February 27, 2019


Nicole R. Zieba,
City Manager

Please sign and return this document with original signature to the City.



REEDLEY CITY COUNCIL

- ☒ **Consent**
- ☐ **Regular Item**
- ☐ **Workshop**
- ☐ **Closed Session**
- ☐ **Public Hearing**

ITEM NO: 2

DATE: February 26, 2019

TITLE: APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A GREEN WASTE DISPOSAL SERVICES AGREEMENT EXTENSION WITH KOCHERGEN FARMS COMPOSTING, INC.

SUBMITTED: Russ Robertson, Public Works Director *RR*

APPROVED: Nicole R. Zieba, City Manager *for PM*

RECOMMENDATION

That the City Council authorize the City Manager to execute an agreement extension with Kochergen Farms Composting, Inc. for the transport and disposal of the City's green waste materials.

EXECUTIVE SUMMARY

On January 14, 2014, the City of Reedley issued a Request for Proposals (RFP) to provide transport and disposal services for green waste materials. The scope of services outlined in the RFP included transporting green waste materials from the Waste Water Treatment Plant and properly disposing of the green waste materials at the approved disposal facility. The lowest cost proposal was submitted by Kochergen Farms Composting, Inc. (Kochergen). The agreement with Kochergen for these services commenced on March 3, 2014 and is set to expire on March 3, 2019. The agreement stipulates that the City may extend the agreement if it so chooses.

The City has been satisfied with Kochergen's services and their rates continue to be favorable. Kochergen produces and markets organic compost for agricultural and commercial end users. All green waste materials received by Kochergen are transported and processed into compost.

The extension would extend the current agreement for a period of five years, beginning on March 3, 2019, and ending March 2, 2024. Compensation pursuant to the agreement shall reflect a new tonnage fee of \$20.09 per ton, starting March 3, 2019. This new compensation is consistent with the inflationary provisions outlined in Article 5 (Compensation) of the agreement. All other terms and conditions set forth in the original agreement will remain unchanged.

ATTACHMENTS

1. City of Reedley's Extension of Green Waste Service Agreement
2. Agreement for Disposal Services of Green Waste Materials – February 2014