

Mayor and Council Communication

DATE: 03/25/25

M&C FILE NUMBER: M&C 25-0281

LOG NAME: 12SYNAGROSETTLE-TERMINATEAGREEMENT

SUBJECT

(ALL) Authorize Execution of a Settlement Agreement with Synagro of Texas-CDR, Inc., Terminating the Agreement to Design, Build, Operate and Manage the Village Creek Biosolids Facility for the Amount of \$2,400,000.00

RECOMMENDATION:

It is recommended that the City Council authorize execution of a Settlement Agreement with Synagro of Texas-CDR, Inc. in the amount of \$2,400,000.00 for costs related to terminating City Secretary Contract No. 53332, the Design, Build, Operate and Manage contract for the Biosolids Facility

DISCUSSION:

On December 10, 2019 (M&C 19-0381) City Council authorized a design-build-operate-maintain contract with Synagro. This contract had an anticipated ten-year duration. On April 1, 2020, Synagro assumed its duties under the contract and designed, constructed and put into operation, in July 2022, a drum dryer facility to create pelletized biosolids.

Over the course of the operations, various disputes arose leading to a mutual decision to settle all claims and end the contract.

This Settlement Agreement will compensate Synagro \$2,400,000.00 and will formally terminate this contract. The effective date of the termination is on or after April 1, 2025, subject to the terms of the agreement.

City staff is putting in place personnel and operations and management contracts for the biosolids facility.

Funding is budgeted in the Other Contractual Services account within the Water & Sewer Fund for the purpose of funding this settlement agreement.

This project is located in COUNCIL DISTRICT 5 but serves all Council Districts.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the operating budget, as previously appropriated, in the Water and Sewer Fund to support the approval of the above recommendation and execution of the settlement agreement. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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Expedited