

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING THE)	RESOLUTION NO. 05-3522
CHIEF OPERATING OFFICER TO EXECUTE)	
CHANGE ORDER NO. 2 TO THE CONTRACT)	Introduced by: Chief Operating Officer
WITH PHILIP SERVICES CORPORATION FOR)	Michael Jordan with concurrence of Council
DISPOSAL OF WASTEWATER AND WASTE)	President Bragdon
PAINT GENERATED AT METRO'S LATEX)	
PAINT RECYCLING FACILITY)	

WHEREAS, Metro operates a latex paint recycling facility for processing the latex paint that is collected in Metro's hazardous waste program and other programs; and,

WHEREAS, the recycling process results in wastes that require Metro to contract for disposal, including waste paint that is not recyclable and wastewater from cleanup; and,

WHEREAS, between January 2004 and September 2004 Metro contracted with Philip Services Corporation (PSC) for disposal of these wastes; and,

WHEREAS, the quantity of wastes generated during this time period significantly exceeded projections; and,

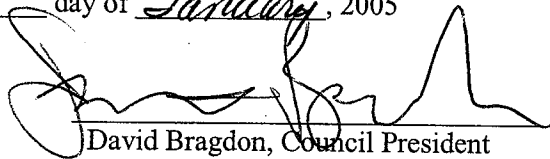
WHEREAS, Metro Code 2.04.058(a)(3) limits increases in cost amount through change orders that may be authorized by the Chief Operating Officer to 20%; and,

WHEREAS, Change Order No. 1 to the contract has already been executed to increase the contract amount by 20%, but \$13,496.25 of work beyond that authorized by Change Order No. 1 was done by PSC; and,

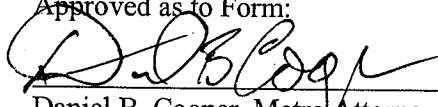
WHEREAS, Change Order No. 2 has been prepared to allow for payment for the work done beyond change order No. 1; now therefore,

BE IT RESOLVED that the Metro Council, sitting as the Metro Contract Review Board, authorizes the Chief Operating Officer to execute Change Order No. 2 to Contract No. 925407 in a form substantially similar to that set forth as the attached Exhibit "A".

ADOPTED by the Metro Council this 13th day of January, 2005



David Bragdon, Council President

Approved as to Form:


 Daniel B. Cooper, Metro Attorney

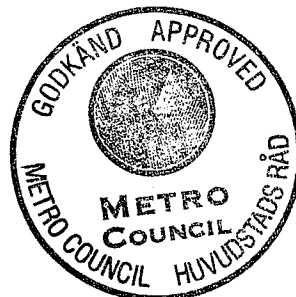


Exhibit "A" to Resolution No. 05-3522

CHANGE ORDER NO. 2
METRO CONTRACT NO. 925407

MODIFICATION TO THE CONTRACT BETWEEN METRO
AND
PSC ENVIRONMENTAL SERVICES, INC.

This change order, dated as of the last signature date below, is entered into between Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, and PSC Environmental Services, Inc., "Contractor," pursuant to the Public Contract dated October 30, 2003 (the "original contract"). In exchange for the promises and other valuable consideration described in the original contract, subsequent change orders, and this change order, the parties agree as follows:

1. The contract amount shall be increased by THIRTEEN THOUSAND, FOUR HUNDRED NINETY SIX AND 25/100THS DOLLARS (\$13,496.25), which represents the maximum compensation which, Metro shall be obligated to pay the Contractor pursuant to this change order. The total contract amount will therefore be SIXTY-SIX THOUSAND, FIVE HUNDRED THIRTY-FIVE AND 10/100THS DOLLARS (\$66,535.10).
2. Except as modified herein, all other terms and conditions of the original contract and previous change orders (if any) remain in full force and effect.

PSC ENVIRONMENTAL SERVICES

METRO

Signature

Signature

Print name and title

Print name and title

Date

Date

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3522 FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO EXECUTE CHANGE ORDER NO. 2 TO THE CONTRACT WITH PHILIP SERVICES CORPORATION FOR DISPOSAL OF WASTEWATER AND WASTE PAINT GENERATED AT METRO'S LATEX PAINT RECYCLING FACILITY

December 13, 2005

Prepared by: Jim Quinn

BACKGROUND

In January 2004, Metro signed a contract with Philip Services Corporation (PSC) for pickup and disposal of two kinds of waste generated at Metro's latex paint recycling facility. One is waste paint that is not suitable for recycling; the other is wastewater from cleaning up the processing area and tanks. PSC picked up and disposed of these wastes through September of 2004. In October of 2004 a new contract was awarded to another company and PSC stopped performing the work.

The amount of money originally allocated to the PSC contract was based on projected volumes of these two types of waste. Therefore, a significantly greater volume was generated during the contract period. This additional volume was due to the decision to temporarily suspend recycling of a few paint colors of which large inventories are already in storage at our warehouse.

Because operations have not yet moved to the new location, it was not feasible to hold a large sale to move these colors. During the busy summer months the congestion and traffic at the Metro South site make it impractical to hold a sale event that will attract many additional customers. Because of this incoming cans of the surplus colors were sent to waste tanks, resulting in increased waste volume.

Change Order No. 1 was executed to increase the contract amount by 20%, the maximum increase that may be authorized by the Chief Operating Officer under the Metro Code. However, the fees for the volume generated and disposed of by PSC during the final month of the contract exceeded even the amended contract amount. Change Order No. 2 has been prepared to pay PSC for the work they did beyond that authorized in Change Order No. 1, which totals \$13,496.25.

ANALYSIS/INFORMATION

1. Known Opposition

None

2. Legal Antecedents

Metro Code section 2.04.058(a)(3) limits increases through change orders that may be authorized by the Chief Operating Officer to 20% of the original amount. The Metro Contract Review Board must authorize increases beyond this.

3. Anticipated Effects

Adoption of Resolution No. 05-3522 will authorize Change Order No. 2 allowing payment of money to Philip Services Corporation for work done in September of 2004 that was not authorized in the original contract or signed Change Order No. 1. However since contractor did work that was not

authorized by contract or change order, Metro is not obligated to pay the outstanding invoices and may choose not to authorize Change Order No. 2.

4. Budget Impacts

Payment of the balance due of \$13,496.25 will come from funds already allocated for waste disposal in the approved 2004-2005 budget for the latex paint recycling operation.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of Resolution No. 05-3522.