

# MEMORANDUM

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**To:** SFSWMA Joint Powers Board Members  
**From:** Randall Kippenbrock, P.E., Executive Director <sup>RLK</sup>  
**Date:** June 14, 2025  
**Subject:** Request for Approval of Amendment No. 1 to the Services Agreement with State Rubber & Environmental Solutions, LLC of Denver City, TX for Scrap Tire Recycling Services (ITB 24083)

**SUMMARY**

The Agency is requesting the Board approve Amendment No. 1 (Amendment) to the Services Agreement (Agreement) with State Rubber & Environmental Solutions (State Rubber) of Denver City, TX, for scrap tire recycling services.

Per the Amendment, State Rubber has agreed to extend the terms of the Agreement for a second year through June 21, 2026, at the same price and conditions. Per Article 5, the Agreement can be renewed annually, not exceeding ten years, upon Board approval.

The Amendment increases the compensation for State Rubber by \$23,000 for a not-to-exceed total of \$45,800.

Funding is available in 8100852.510310 (Service Contracts).

**BACKGROUND**

On June 21, 2024, the Board awarded ITB No. 24083 for scrap tire processing to State Rubber. The Board also approved the Agreement with State Rubber for \$22,800.

The ITB does not commit the Agency to a definite quantity or specific dollar value of scrap tire hauling. Instead, the ITB allows the Agency to procure the service from State Rubber as needed.

Amendment No. 1 to the Agreement with State Rubber will provide for the continuation of recycling of scrap tires into crumb rubber, steel, and fiber.

The Agency receives scrap tires from customers at the Buckman Road Recycling and Transfer Station (BuRRT). The scrap tires handled by the Agency are predominantly passenger tires; however, the Agency accepts all tires, regardless of size. The following table summarizes the tire generation for the past three years:

Description	Calendar Year		
	2022	2023	2024
Total (pounds)	431,420	471,280	467,960
Ave Weight/Load (pounds)	25,378	26,182	25,998
No. of Passenger Tires	9,587	11,559	11,694
No. of Truck Tires	2,052	2,267	2,334
No. of Loads to State Rubber	17	18	18

The Agency has used State Rubber since 2014. State Rubber's fee for processing scrap tires is \$80.00 per ton.

The State Rubber processing facility produces crumb rubber, steel, and fibers. Crumb rubber is primarily used in rubberized asphalt pavements, molded rubber products, athletic surfaces, playground materials, landscape products, and oil industry products. Steel in tires is recycled at steel mills. Fiber from tires is used as a soil amendment, absorbent material, and molded rubber product.

### **ACTION REQUESTED**

The Agency requests the Board approve Amendment No. 1 to the Services Agreement with State Rubber for scrap tire hauling services.

The Agency also requests:

- Approval to extend the term of the Agreements through June 21, 2026.
- Increase the compensation by \$23,000 for a not-to-exceed total amount of \$45,800.

Attachments:

- 1) Amendment No. 1 to the Services Agreement
- 2) Services Agreement with State Rubber & Environmental Solutions

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**ATTACHMENT 1**

**Amendment No. 1 to the Services Agreement**

**SANTA FE SOLID WASTE MANAGEMENT AGENCY  
AMENDMENT No. 1  
SERVICES AGREEMENT WITH  
STATE RUBBER & ENVIRONMENTAL SOLUTIONS, LLC  
(Scrap Tire Recycling - 2024)**

This AMENDMENT No. 1 (“Amendment”) to the SERVICES AGREEMENT, dated June 21, 2024 (“Agreement”), is made and entered into between the Santa Fe Solid Waste Management Agency (“Agency”) and State Rubber & Environmental Solutions, LLC (“Contractor”). The Amendment shall be effective as of the date this Amendment is executed by the Agency.

**RECITALS**

Under the terms of the Agreement, Contractor has agreed to provide scrap tire recycling services of scrap tires delivered from the Buckman Road Recycling and Transfer Station to Contractor’s scrap tire recycling plant in Denver City, TX (ITB No. 24083).

Pursuant to Article 18, Amendment of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the Agency and Contractor agree as follows:

**1. COMPENSATION**

Article 3, Compensation of the Agreement is hereby amended to increase the compensation by a total of Twenty-Three Thousand Dollars and No Cents (\$23,000.00) so that Article 3 reads in its entirety as follows:

- A. The Agency shall pay to Contractor in full payment for services rendered, a sum not to exceed Forty-Five Thousand Eight Hundred Dollars and No Cents (\$45,800.00), including applicable gross receipts taxes.

DESCRIPTION	AMOUNT
ORIGINAL CONTRACT	\$22,800.00
AMENDMENT NO. 1	\$23,000.00
CONTRACT TO DATE	\$45,800.00

- A. The Agency shall pay Contractor a processing fee of \$80.00 per ton for recycling scrap tires delivered by a third-party hauling transportation company to Contractor’s scrap tire recycling plant in Denver City, TX.
- B. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums payable under this Agreement.
- C. Payment shall be made upon receipt and approval by the Agency of detailed statements containing a report of services completed. Compensation shall be paid only for services performed in accordance with the fee schedule set forth in the Scope of Services attached hereto in Exhibit A.
- D. Invoices containing reimbursable expenses, if any, shall be itemized.

**2. TERM AND EFFECTIVE DATE**

Article 5, Term and Effective Date of the Agreement is amended to extend the term of the Agreement, so that Article 5 reads in its entirety as follows:

- A. This Agreement shall be effective when signed by the Agency and terminate on June 21, 2026, unless it is terminated sooner pursuant to Article 4 or Article 6 of this Agreement.
- B. Pursuant to the limitations on multi-term contracts for services codified in NMSA 1978 § 13-1-150, this Agreement may not exceed ten years, including all extensions and renewals. Subject to that limitation, this Agreement can be renewed annually if agreed upon by the Agency and Contractor.

**3. AGREEMENT IN FULL FORCE**

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect in accordance with its terms.

**IN WITNESS WHEREOF**, the parties have executed this Amendment to the Agreement as of the dates set forth below.

**SANTA FE SOLID WASTE MANAGEMENT AGENCY:**

\_\_\_\_\_  
Lee Garcia  
Chair, Joint Powers Board

\_\_\_\_\_  
Date:

**CONTRACTOR:**

\_\_\_\_\_  
David Elam  
Plant Manager  
State Rubber & Environmental Solutions, LLC

\_\_\_\_\_  
Date:

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Nancy R. Long  
Agency Attorney

\_\_\_\_\_  
Date:

**ATTACHMENT 2**

**Services Agreement with State Rubber & Environmental Solutions**

**SANTA FE SOLID WASTE MANAGEMENT AGENCY  
SERVICES AGREEMENT WITH  
STATE RUBBER & ENVIRONMENTAL SOLUTIONS, LLC  
(Scrap Tire Processing- 2024)**

This SERVICES AGREEMENT ("Agreement") is made and entered into by and between the Santa Fe Solid Waste Management Agency ("the Agency") and State Rubber & Environmental Solutions, LLC (the "Contractor") to provide processing services of scrap tires (ITB No. 24083), as described in Exhibit A and below. The Agreement shall be effective as of the date this Agreement is executed by the Agency.

**1. SCOPE OF SERVICES**

The services subject to this Agreement are set forth in the Scope of Services hereto attached in Exhibit A. Contractor shall provide scrap tire processing services for scrap tires delivered from the Buckman Road Recycling and Transfer Station in Santa Fe, NM, to Contractor's scrap tire recycling plant in Denver City, TX. It shall be the responsibility of Contractor to perform according to the terms of this Agreement, those established in Exhibit A; to comply with all federal, state, and local laws and regulations; to obtain and comply with any permitting or licensing requirements, including but not limited to requirements imposed by environmental regulatory entities.

**2. STANDARDS OF PERFORMANCE; LICENSES**

A. Contractor represents that it possesses the experience and knowledge necessary to perform the services described in this Agreement.

B. Contractor agrees to obtain and maintain throughout the term of this Agreement all applicable professional and business licenses required by law for itself and its employees,

agents, representatives and subcontractors.

**3. COMPENSATION**

A. The Agency shall pay to Contractor in full payment for services rendered, including applicable gross receipts taxes, a sum not to exceed Twenty-Two Thousand Eight Hundred Dollars and No Cents (\$22,800.00).

B. The Agency shall pay Contractor a processing fee of \$80.00 per ton for processing scrap tires delivered by a third-party transportation company to Contractor's scrap tire recycling plant in Denver City, TX.

C. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums payable under this Agreement.

C. Payment shall be made upon receipt and approval by the Agency of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed in accordance with the fee schedule set forth in the Scope of Services hereto attached in Exhibit A.

D. Detailed statements containing reimbursement expenses, if any, shall be itemized.

**4. APPROPRIATIONS**

The terms of this Agreement are contingent upon sufficient appropriations to and authorization from the Joint Powers Board for the Agency for the performance of this Agreement. If sufficient appropriations are not made or authorization provided, this Agreement shall terminate upon written notice from the Agency to Contractor. The Agency shall be responsible for charges incurred up to the date of notification under this Article per Article 6 of this Agreement. The Agency's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final.

5. **TERM AND EFFECTIVE DATE**

A. This Agreement shall be effective when signed by the Agency and terminate on June 20, 2025, unless it is terminated sooner pursuant to Article 4 or Article 6 of this Agreement.

B. Pursuant to the limitations on multi-term contracts for services codified in NMSA 1978 § 13-1-150, this Agreement may not exceed ten years, including all extensions and renewals. Subject to that limitation, the Agreement can be renewed annually, if agreed upon by the Agency and Contractor.

6. **TERMINATION**

A. The Agency may terminate this Agreement at any time and for any reason by giving ten (10) days written notice to Contractor. If the Agency terminates the Agreement:

1) Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the Agency original copies of all work product, research, or papers prepared for the services covered by this Agreement. The Agency shall pay Contractor for services rendered and expenses incurred under this Section, including for preparation of the final report.

2) If compensation is not based upon hourly rates for services rendered, the Agency shall pay Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination for which compensation has not already been paid.

3) If compensation is based upon hourly rates and expenses, Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

B. The Agency further reserves the right to cancel all or any part of this Agreement without cost to the Agency if the Contractor fails to meet the provisions of this Agreement and to hold the Contractor liable for any excess costs associated with the Contractor's default. The rights and remedies of the Agency are not limited to those provided for in this paragraph and are in addition to any other rights provided for by law.

7. **STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS**

A. Contractor, its agents, and its employees are independent contractors performing construction services for the Agency and are not employees of the Agency.

B. Contractor, its agents, and its employees shall not accrue leave, retirement, insurance, bonding, or any other benefits afforded to employees of the Agency, and shall not be permitted to use Agency vehicles in the performance of this Agreement.

C. Contractor shall be solely responsible for payment of wages, salaries, and benefits to any and all employees or subcontractors Contractor retains to perform any of its obligations pursuant to this Agreement.

8. **CONFIDENTIALITY**

Any confidential information provided to or developed by Contractor in the performance of this Agreement shall be kept confidential, and shall not be made available to any individual or organization by Contractor without the Agency's prior written approval.

9. **CONFLICT OF INTEREST**

Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with its performance of its obligations pursuant to this Agreement. Contractor further agrees that it shall not employ or contract with anyone in the performance of this Agreement that has any such conflict of interest.

**10. ASSIGNMENT; SUBCONTRACTING**

Contractor shall not assign or transfer any rights, privileges, obligations or other interests under this Agreement, including any claims for money due, without the Agency's prior written consent. Contractor shall not subcontract any portion of the services to be performed under this Agreement without the Agency's prior written approval.

**11. RELEASE**

Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the Agency, its officers, and its employees from all liabilities, claims, and obligations whatsoever arising from or under this Agreement. Contractor agrees not to purport to bind the Agency to any obligation not assumed herein by the Agency unless Contractor has express written authority to do so, and then only within the strict limits of that authority.

**12. INSURANCE**

A. Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement comprehensive general liability insurance of \$1,000,000 for each occurrence and \$2,000,000 in general aggregate coverage for bodily injury and property damage liability, in a form and with an insurance company acceptable to the Agency. The required limits may be provided by a combination of general liability insurance and commercial umbrella liability insurance. The Agency shall be named as an additional insured under the insurance policy, and the policy shall provide that the Agency will be notified no less than 30 days before the policy is cancelled for any reason. Contractor has furnished the Agency with a copy of a Certificate of Insurance or other evidence of Contractor's compliance with the provisions of this section as a condition of entering into this Agreement.

B. Contractor shall carry and maintain Workers' Compensation insurance in accordance with New Mexico law to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the Agency with evidence demonstrating that appropriate Workers' Compensation insurance has been obtained.

C. Contractor shall also carry and maintain sufficient automobile liability insurance throughout the term of this Agreement to cover no less than \$1,000,000 combined single limit for each accident. The required limits may be provided by a combination of automotive liability insurance and commercial umbrella liability insurance.

**13. INDEMNIFICATION**

Contractor shall indemnify, hold harmless and defend the Agency from all losses, damages, claims or judgments, including payment of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action, or demand whatsoever to the extent arising from the negligent acts, errors, or omissions, or willful and reckless disregard of obligations under this Agreement, in the performance of any services covered by this Agreement, whether occurring on Agency managed or owned property or otherwise, by Contractor or its employees, agents, representatives, or subcontractors, excepting only such liability that arises out of the Agency's negligence.

**14. NEW MEXICO TORT CLAIMS ACT**

Any liability incurred by the Agency in connection with this Agreement is subject to the immunities and limitations set forth in the New Mexico Tort Claims Act, NMSA 1978 §§ 41-4-1 to 41-4-27. The Agency and its employees do not waive sovereign immunity, any available defense, or any limitation of liability recognized by law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

**15. THIRD PARTY BENEFICIARIES**

By entering into this Agreement, the parties do not intend to create any right, title, or interest in, or for the benefit of, any person other than the Agency and Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary.

**16. RECORDS AND AUDIT**

Contractor shall maintain throughout the term of this Agreement and for a period of three years thereafter detailed records that indicate the date, time, and nature of services rendered. These records shall be subject to inspection by the Agency, the City of Santa Fe Finance Department, and the State Auditor. The Agency shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the Agency to recover excessive or illegal payments.

**17. APPLICABLE LAW; CHOICE OF LAW; VENUE**

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the Agency. In any action, suit, or legal dispute arising from this Agreement, Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be brought in the First Judicial District Court, County of Santa Fe, State of New Mexico.

**18. AMENDMENT**

This Agreement shall not be altered, changed, or modified except by an amendment in writing executed by the parties.

**19. SCOPE OF AGREEMENT**

This Agreement expresses the entire agreement and understanding between the parties with respect to the services set forth in the Scope of Services attached hereto as Exhibit A. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

**20. NON-DISCRIMINATION**

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of the services Contractor undertakes pursuant to this Agreement on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

**21. SEVERABILITY**

If one or more of the provisions of this Agreement or any application thereof is found to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of the Agreement and any other application thereof shall not in any way be affected or impaired.

**22. NOTICES**

- A. Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by email, as provided below, to the parties at the following addresses:

**AGENCY:**                    Randall Kippenbrock, P.E.  
                                      Executive Director  
                                      Santa Fe Solid Waste Management Agency  
                                      149 Wildlife Way  
                                      Santa Fe, NM 87506  
                                      Email: rkippenbrock@sfswwa.org

**CONTRACTOR:** David Elam  
Plant Manager  
State Rubber & Environmental Solutions, LLC  
1390 County Road 344  
P.O. Box 732  
Denver City, TX 79323  
Fax: (806) 592-3806  
Email: David@staterubber.net

A. Notice sent by recognized overnight delivery service shall be effective only upon actual receipt thereof at the office of the addressee set forth above, and any such notice delivered at a time outside of normal business hours shall be deemed effective at the opening of business on the next business day.

B. Notice sent by email shall be effective only upon actual receipt of the original by delivery service unless written confirmation is sent by the recipient of the email stating that the notice has been received, in which case the notice shall be deemed effective as of the date specified in the confirmation.

C. Any party may change its address for purposes of this paragraph by giving notice to the other party as herein provided. Delivery of any copies as provided herein shall not constitute delivery of notice hereunder.

**23. COMPLIANCE WITH LAWS AND REGULATIONS; PROHIBITION OF BRIBES, GRATUITIES, AND KICKBACKS**

Contractor shall comply with all applicable federal, state, and local laws and regulations throughout the term of this Agreement. Contractor expressly acknowledges that the New Mexico Procurement Code, NMSA 1978, Sections 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation, and New Mexico criminal statutes impose penalties for bribes, gratuities, and kickbacks.


IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

**SANTA FE SOLID WASTE MANAGEMENT AGENCY:**

  
Camilla Bustamante (Jun 21, 2024 18:11 MDT)  
Camilla Bustamante  
Chairperson

06/21/24  
Date:

**ATTEST:**

  
Katharine E. Clark  
Katharine E. Clark  
Santa Fe County Clerk

**CONTRACTOR:**

  
David Elam (Jun 17, 2024 15:51 CDT)  
David Elam  
Plant Manager  
State Rubber & Environmental Solutions, LLC

06/17/24  
Date:

**APPROVED AS TO FORM:**

  
Nancy Long (Jul 16, 2024 14:46 MDT)  
Nancy R. Long  
Agency Attorney

06/16/24  
Date:

**EXHIBIT A**  
**Scope of Services**  
**for**  
**State Rubber & Environmental Solutions**

The parties agree as follows as to the services to be delivered under this Agreement:

- The Agency shall act as scale master for all loads of scrap tires. The Agency retains the right to enforce weight limits as described herein. The Agency scale facilities shall also serve as recordkeeping for loads and material quantities delivered to State Rubber & Environmental Solutions' scrap tire recycling plant in Denver City, TX.
- The Agency shall pay State Rubber & Environmental Solutions a processing fee of \$80.00 per ton for processing scrap tires delivered by a 3rd party transportation company to State Rubber & Environmental Solutions' scrap tire recycling plant in Denver City, TX.
- The following types of tires are not permitted:
  - Rimmed tires
  - Oversized tires
  - Foam-filled tires

State Rubber & Environmental Solutions agrees to provide these services:

- State Rubber & Environmental Solutions shall process scrap tires at its total tire recycling plant in Denver City, TX.

State Rubber & Environmental Solutions shall comply with 20.9.20 NMAC and 30 TAC Chapter 328, Subchapter F for transporting, processing, storage, recycling, use, abatement, and generation of scrap tires.

- State Rubber & Environmental Solutions shall submit to the Agency invoices accompanying with manifests and scale tickets.

Signature: 

Email: [kclark@santafecountynm.gov](mailto:kclark@santafecountynm.gov)