

**COUNCIL ACTION FORM**

**SUBJECT: PROCUREMENT OF CONVEYORS FOR A NON-FERROUS METALS RECOVERY SYSTEM**

**BACKGROUND:**

The Iowa Department of Natural Resources has awarded the City of Ames a low-interest loan through their Solid Waste Alternatives Program for a non-ferrous recovery system. The City of Ames contracted with RRT Design & Construction for design engineering and construction management services to install a non-ferrous recovery system at the Resource Recovery Plant.

Working with City staff, RRT has identified three main components for an effective non-ferrous metals recovery system. These three components are an eddy current system, induction sorting system, and related conveyors. RRT provided plans and specifications for related conveyors that will be integrated into a non-ferrous metals recovery system. These conveyors are estimated to cost \$115,500. Funding for this non-ferrous recovery system project is in the amount of \$1,100,000.

On Thursday, July 24, 2008, one bid was received from Wolf Material Handling Systems in the amount of \$238,697 and reported to Council on July 29, 2008. Action on this bid was delayed to provide staff and the consultant an opportunity to analyze the acceptability of this bid.

Analysis by City staff and RRT Design & Construction concluded **the bid is too high for the equipment specified and is not appropriate within the overall budget**. It has been recommended by RRT that the most cost effective option will be to **bid the procurement of the conveyors along with the bid package for installation of the complete system**. Plans and specifications for this work will be brought to Council after receiving the bids for the procurement of the eddy current and induction sorting systems.

**ALTERNATIVES:**

1. Reject the bid from Wolf Material Handling Systems for the Procurement of Conveyors for a Non-Ferrous Metals Recovery System.
2. Accept the bid and award the contract to Wolf Material Handling Systems.

**MANAGER'S RECOMMENDED ACTION:**

Acceptance of this bid would require using nearly half of the overall project contingency. The project consultant believes the conveyors are basic pieces of equipment and more reasonable costs will be realized by bidding these along with the overall project installation contract. It is planned to bring this before Council in early fall 2008, which would facilitate a February 2009 installation of the non-ferrous system. Construction is estimated to take approximately one week.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1, thereby rejecting the bid From Wolf Material Handling Systems for the Procurement of Conveyors for a Non-Ferrous Metals Recovery System.