

**COUNCIL ACTION FORM**

**SUBJECT:** WPC FACILITY METHANE ENGINE-GENERATOR NO. 2  
REHABILITATION PROJECT – REJECTION OF BIDS

**BACKGROUND:**

On September 11, 2012, the City Council granted approval to issue a Notice to Bidders for the Water Pollution Control (WPC) Facility Methane Engine-Generator No. 2 (MG-2) Rehabilitation Project.

On September 25, 2012, the City received bids to provide all labor, equipment, materials, and other components necessary to complete the above-mentioned project according to City of Ames specifications. A single bid was received from Ziegler Power Systems of Altoona, Iowa in the amount of \$172,500, which is \$43,500 more than the approved funding allocation for this project. Discrepancies between the bid price and budget were addressed in the report of bids on October 9, 2012.

Based on further bid evaluation and review of potential alternatives, staff recommends rejection of the bid from Ziegler Power Systems. The specifications will be modified and the work will be rebid in FY 2013/14 as part of a more comprehensive long-term strategy for utilizing the methane generated by the treatment process.

**ALTERNATIVES:**

1. Reject the bid from Ziegler Power Systems of Altoona, Iowa in the amount of \$172,500 for the Water Pollution Control Facility Methane Engine-Generator No. 2 Rehabilitation Project, and direct staff to develop alternative project plans.
2. Accept the single lump-sum bid of \$172,500 from Ziegler Power Systems of Altoona, Iowa to provide all labor, equipment, materials, and other components necessary to complete the WPC Facility Methane Engine-Generator No. 2 Rehabilitation Project. Costs in excess of the already allocated budget would come from the Sanitary Sewer Fund balance.

**MANAGER'S RECOMMENDED ACTION:**

The methane engine-generator is an integral and vital component of the Water Pollution Control Facility, using bio-gas from the process to produce electricity and reduce electrical costs. Overhaul costs have risen significantly due to low availability of parts for the aging engine.

Staff has developed a long-term strategy for utilizing the methane gas generated by the treatment process that will be presented to Council as part of the FY 2013/14 Capital

Improvements Plan. That plan will include a modified scope of work for rehabilitating Methane Engine-Generator No. 2.

Therefore, it is the City Manager's recommendation that Council accept Alternative No. 1, thereby rejecting the bid from Ziegler Power Systems of Altoona, Iowa in the amount of \$172,500 for the Water Pollution Control Facility Methane Engine-Generator No. 2 Rehabilitation Project, and directing staff to develop alternative project plans.