

COUNCIL ACTION FORM

**SUBJECT: 2013/14 RESOURCE RECOVERY PRIMARY SHREDDER
REPLACEMENT (PHASE II)**

BACKGROUND:

On March 26, 2013, City Council approved plans and specifications for the replacement of the existing primary shredder and discharge conveyor, along with associated electrical and chute work. Renewable Resource Consultants (RRC) of Maple Grove, Minnesota, completed the plans and specifications with a construction cost estimate of \$1,154,700. This project is planned to be completed in 15 days and to coincide with the Power Plant fall maintenance outage in October/November 2013.

On April 18, 2013, one bid was received for the project; however, this bid was deemed non-responsive because a bid bond was not submitted with the proposal form, as required. As directed by Council, staff contacted the previous plan holders and potential subcontractors to find out what concerns there may have been with the project. Three of the four prime contractor plan holders were unable to secure a bid from an electrical contractor. Two electrical contractors have now expressed interest and are included on the bid list with intent on providing proposals. Appropriate modifications were made to the plans and specifications along with an updated construction estimate of \$1,154,700. It is still planned that the shredder installation will be coordinated with Power Plant maintenance activities. Engineering and administration expenses are estimated at \$99,400, bringing **total projected costs to \$1,254,100.**

Installation is programmed in the 2013/14 Capital Improvements Plan (CIP) with funding in the amount of \$1,000,000 from Resource Recovery revenue abated General Obligation Bonds. On January 8, 2013, Council also approved funding of \$130,000 from the Resource Recovery Fund for qualified engineering design services, bringing programmed funding to \$1,130,000. Additional funding is also available from two programmed in the 2013/14 CIP that will no longer be needed. There is \$60,000 programmed for energy efficiency equipment to meet Electric Service Power Factor requirements. However, the improvements that were recently made have met those needs. Also, \$94,000 is programmed for maintenance of the secondary shredder motor. This activity was able to be accomplished within the current operating budget. These savings bring **total available funding to \$1,284,000.**

ALTERNATIVES:

1. Approve the 2013/14 Resource Recovery Primary Shredder Replacement (Phase II) by establishing June 5, 2013, as the date of letting and June 11, 2013, as the date for report of bids.
2. Direct staff to incorporate cost-saving changes and delay the project as required.

MANAGER'S RECOMMENDED ACTION:

This project replaces the Resource Recovery Plant's existing, 38-year old primary shredder with a new slow-speed, high-torque shredder. This new shredder will improve safety, improve throughput, and increase overall plant efficiencies while reducing the amount of material sent to the landfill.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the 2013/14 Resource Recovery Primary Shredder Replacement (Phase II) by establishing June 5, 2013, as the date of letting and June 11, 2013, as the date for report of bids. The City Council should note that this action will accelerate authorization to begin the project by one month.