

**COUNCIL ACTION FORM**

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

**BACKGROUND:**

On March 26, 2013, City Council originally approved plans and specifications for the replacement of the existing primary shredder and discharge conveyor, along with associated electrical and chute work. This project is planned to be completed in 14 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. The project was approved for rebid by City Council on May 14, 2013.

On June 5, 2013, bids on this project were received as follows:

A-Lert Construction Services	\$1,310,100
Woodruff Construction, LLC	\$1,473,900
alternate bid shredder	\$1,414,900
Hoffman Inc.	\$1,718,550

Renewable Resource Consultants (RRC) of Maple Grove, Minnesota, completed the plans and specifications with a cost estimate for the project of \$1,154,700. With the low bid of \$1,310,100 and estimated engineering/administration of \$99,400, **total estimated costs are \$1,409,500.**

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.**

In order to fund this project at the lowest bid amount, additional funding must be identified. This funding is available from previously approved capital improvement projects. In the 2013/14 CIP there is **\$60,000** programmed for energy efficiency equipment to meet Electric Service Power Factor requirements. However, staff has been able to make energy improvements at the Plant that accomplished the power factor goal. Next, **\$94,000** is programmed for maintenance of the secondary shredder motor. This activity was able to be accomplished within the current operating budget. Phase 1 of the current Process Area Sprinkler System Replacement is funded at \$270,370, but was awarded at \$194,300. This, along with estimated engineering of \$24,700, provides for a savings of **\$51,370.** Additional louvers for the tipping floor are also programmed in the amount of **\$22,000.** Given the priority of replacing this shredder, staff feels that the current air flow is sufficient and this project is no longer necessary. Finally, there were two painting projects (roof equipment and a plant wall)

scheduled in the 2012/13 CIP in the amount of **\$60,000**. These are cosmetic in nature and will not be performed.

**With these cumulative additional savings, the total available funding to complete this shredder project is \$1,417,370.**

**ALTERNATIVES:**

- 1a. Accept the report of bids for the 2013/14 Resource Recovery Primary Shredder Replacement (Phase II).
  - b. Approve the final plans and specifications for the 2013/14 Resource Recovery Primary Shredder Replacement (Phase II).
  - c. Approve reallocation of programmed funding, as noted above.
  - d. Award the 2013/14 Resource Recovery Plant Primary Shredder Replacement (Phase II) to A-Lert Construction Services, Fredonia, KS in the amount of \$1,310,100.
2. Reject the project.

**MANAGER'S RECOMMENDED ACTION:**

This is a very important project for the long-term success of the Resource Recovery System. By awarding this project at this time, Phase II of the shredder replacement can be made during the Power Plant's fall maintenance outage.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting the report of bids, approving the final plans and specifications, approving reallocation of programmed funding as noted above, and awarding the 2013/14 Resource Recovery Primary Shredder Replacement (Phase II) to A-Lert Construction Services, Fredonia, KS in the amount of \$1,310,100.