

COUNCIL ACTION FORM

SUBJECT: WATER POLLUTION CONTROL FACILITY THREE-YEAR BIOSOLIDS HAULING AND DIGESTER CLEANING PROJECT

BACKGROUND:

On July 8, 2014, Council renewed a contract with Nutri-Ject Systems, Inc. of Hudson, Iowa in the amount of \$143,407.25 for the Water Pollution Control Facility Biosolids Hauling and Digester Cleaning Project for FY 14/15. This contract was the second year of a three year project and was contingent on the contractor successfully completing the prior year's work. As part of the original bid submittal, Nutri-Ject Systems, Inc. included an annual price adjustment to the unit prices bid for the renewal years that was tied to the Engineering News-Record's published Construction Cost Index (CCI).

Nutri-Ject Systems, Inc. has completed all work required under the FY 14/15 contract to staff's satisfaction. Change Order #1 was executed by staff to adjust the final quantities of biosolids hauled; this increased the contract amount by \$2,868.03. A second change order is still needed to adjust the actual volume of material cleaned from the digesters. This second and final change order reduces the FY 14/15 contract amount by \$50,471.55. **Staff is recommending that the Council approve Change Order Number Two, and accept as complete the FY 14/15 contract.**

Original Contract Amount	\$ 143,407.25
Change Order #1	2,868.03
Change Order #2	-50,471.55
Final Contract Price	\$ 95,803.73

The work for this project was bid on a unit price basis, as the exact number of gallons disposed may vary from year to year. Because the work takes place in a very short window each fall, staff is recommending that this year's award include, as was done in the previous year's contract, a "not to exceed" cap that would allow up to a 25% increase in quantities over what was specified in the original base bid without the need to suspend work to obtain change order approval from Council to adjust quantities. Adjusting the previous year's unit prices based on the CCI (2.4%), the FY 15/16 contract would include: mobilization in a lump sum amount of \$2,625.02; hauling of biosolids in the amount of \$0.01867 per gallon; and cleaning of the digesters in the amount of \$0.1374 per gallon. This would bring the total FY 15/16 contract amount to a not to exceed total of \$146,843.77.

<u>Item</u>	<u>Qty.</u>	<u>Unit Price</u>	<u>Extended Price</u>
Mobilization	1 lump sum	\$2,625.02	\$2,625.02
Biosolids Hauled	3,125,000 gal.	\$0.01867/gal.	\$58,343.75
Digester Cleaning	625,000 gal.	\$0.1374/gal	\$85,875.00
FY 15/16 Total Contract Amount			\$146,843.77

The authorized FY 15/16 project budget is as follows:

Biosolids Hauling (Operating Budget)	=	\$100,000
<u>Digester Cleaning (CIP Budget)</u>	=	<u>\$ 89,000</u>
Total FY 15/16 Budget	=	\$189,000

ALTERNATIVES:

1. a.) Approve a Change Order #2 to the FY 14/15 Biosolids Hauling and Digester Cleaning Project in the amount of -\$50,471.55.
 - b.) Accept completion of the FY 14/15 WPC Facility Biosolids Hauling and Digester Cleaning project in the amount of \$95,803.73.
 - c.) Award the third year of the three-year contract with Nutri-Ject Systems, Inc. of Hudson, Iowa as described above in a total contract amount not to exceed \$146,843.77.
2. Approve Change Order #2 and accept completion of the FY 14/15 WPC Biosolids Hauling and Digester Cleaning project, but do not award the third year of the contract to Nutri-Ject Systems and direct staff to solicit new bids for the project.
3. Approve Change Order #2 and accept completion of the FY 14/15 WPC Facility Biosolids Hauling and Digester Cleaning project, but do not award a contract for biosolids hauling to Nutri-Ject Systems, Inc., and direct staff to purchase the additional equipment necessary to perform the work with City staff.

MANAGER'S RECOMMENDED ACTION:

Disposal of biosolids at the WPC Facility is necessary for uninterrupted operation of the facility and continued compliance with the facility's NPDES permit. Additionally, cleaning of the digesters is necessary for the completion of a separate project to rehabilitate the digester facilities. Nutri-Ject Systems, Inc. has completed all work required under the previous year's contract to staff's satisfaction.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby:

- a.) Approving Change Order #2 to the FY 14/15 contract in the amount of - \$50,471.55;

- b.) Accepting completion of the FY 14/15 Biosolids Hauling and Digester Cleaning Project; and
- c.) Awarding the third year of the three-year contract (FY 15/16) to Nutri-Ject Systems, Inc., in an amount not to exceed \$146,843.77.