

COUNCIL ACTION FORM

SUBJECT: WATER TREATMENT PLANT LIME SLUDGE DISPOSAL CONTRACT RENEWAL

BACKGROUND:

The City of Ames Water Treatment Plant (WTP) is a conventional lime-softening facility that generates lime sludge as a by-product of the lime softening process. The lime sludge consists primarily of calcium carbonate and magnesium hydroxide and is dewatered and stored in lagoons prior to disposal on agricultural ground as a soil conditioner. To continue to have adequate storage for the lime sludge, the lime sludge must be cleaned out of the lagoons annually.

On May 28, 2013, City Council awarded a contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa for the removal and disposal of lime sludge. The contract agreement calls for the removal of 28,000 wet tons of lime at a unit cost of \$10.99 per wet ton, four dust control applications at \$500 per application, and mobilization charges totaling \$6,500 for a total contract price of \$316,220. The contract is renewable annually for a total of five years, dependent on successful performance by the contractor each year. The contract unit prices are fixed for the entire five-year agreement.

Over the past few years, the quantity of sludge being removed under this contract has not quite kept pace with the quantity being produced. As a result, there was one change order executed in FY 14/15 in the amount of \$42,000 to increase the quantity of sludge removed for a total price of \$358,220. Work performed under contract for FY 14/15 has been completed to staff's satisfaction and in accordance with the contract requirements; **staff recommends acceptance of the FY 14/15 contract.**

Staff recommends awarding the third year of the agreement to Wulfekuhle Injection and Pumping Inc., **with an increase in the contract quantity from 28,000 tons to 33,000 tons.** Increasing the quantity removed will better match the production rate of the material and will provide staff with more operational flexibility throughout the year.

Lime Sludge Disposal	33,000 tons	@	\$10.99/ton	\$362,670
Mobilization	1	@	\$6,500 ea	6,500
Dust Control	4	@	\$500 ea	2,000
Total FY 15/16 Contract Award				\$371,170

The FY 15/16 operating budget includes \$349,000 for this work, which is not sufficient to cover the recommended dollar amount. Because the new fiscal year has just begun, it is not possible at this time to identify specific savings to offset

this \$22,170 shortfall. The staff will identify the needed savings by the time the Council reviews the Adjusted Budget in February 2016.

ALTERNATIVES:

1. a.) Accept completion of the FY 14/15 lime sludge disposal contract in the amount of \$358,220.00

b.) Award the third year of the lime sludge disposal contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa in the amount of \$371,170.
2. Award the third year of the lime sludge disposal contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa in the amount of \$316,220. While no budget adjustment would be necessary, the quantity removed will not keep pace with the rate of production, resulting in an increased quantity of lime sludge stockpiled on-site and in a reduced level of operational flexibility.
3. Do not award the contract for FY 15/16 to Wulfekuhle Injection and Pumping, Inc. and direct staff to solicit new bids for removal and disposal of lime sludge.

MANAGER'S RECOMMENDED ACTION:

Wulfekuhle Injection and Pumping, Inc. has completed the FY 14/15 lime sludge disposal work to staff's satisfaction and in accordance with the contract requirements. The quantity of lime disposal under contract in recent years has not kept pace with the production of the material, resulting in mid-year change orders being needed. Staff is recommending that the quantity contracted for in FY 15/16 be increased from 28,000 tons to 33,000 tons. This would require a mid-year adjustment to the FY 15/16 lime sludge disposal budget.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby: a) accepting completion of the FY 14/15 contract and b) approving renewal of the third year of the five-year agreement with Wulfekuhle Injection and Pumping Inc. of New Vienna Iowa in the amount of \$371,170 for the removal and disposal of the Water Treatment Plant's lime sludge.



ENGINEER'S STATEMENT OF COMPLETION

Water Treatment Plant Lime Sludge Disposal
Contract No. 2013-202

Engineer: Ames Water and Pollution Control Department

Contractor: Wulfekuhle Injection and Pumping, Inc.

I hereby state that the lime sludge disposal has been satisfactorily completed in general compliance with the terms, conditions, and stipulations of said contract.

The work was completed for the fiscal year 2014-2015.

I further state that the retainage may be released in accordance with the contract documents.

Kris Evans, Ph.D., P.E., Environmental Engineer
Water and Pollution Control Department

Date: 7/22/2015