

COUNCIL ACTION FORM

SUBJECT: PHASE 1 ASH POND REHABILITATION

BACKGROUND:

On July 28, 2015, City Council approved preliminary plans and specifications for the Phase 1 Ash Pond Rehabilitation. This project is for a contractor to furnish labor, materials, and equipment to clear and grub trees and brush from the internal ash pond embankments, and to reshape the embankment slopes.

Bid documents were issued to eleven companies. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune. The bid was also sent to two plan rooms. **The engineer's estimated for this project is \$75,000.**

On June 10, 2015, three bids were received as shown below.

Bidder	Lump Sum Bid	Sales and/or Use taxes included in Lump Sum
J.J. Westhoff Construction Co. Lincoln, NE	\$188,000	Not licensed
Gehrke Inc. Eldora, IA	Non-Responsive	
Chamness Technology, Inc. Blairsburg, IA	Non-Responsive	

Staff reviewed the bids and determined that the bids submitted by Gehrke Inc. and Chamness Technology, Inc. were both non-responsive because neither bidder signed its bid which is a mandatory requirement.

Staff evaluated the remaining bid and determined that the lowest responsive bid in the amount of \$188,000 submitted by J. J. Westhoff Construction Co. was technically compliant. However, their bid was 250% more than the engineer's cost estimate of \$75,000. Therefore, staff has concluded that it would be in the city's best interest to reject all bids received and rebid at a later date in order to attempt to obtain competitive bids that are more in alignment with the cost estimate. Council should note that staff will be revising the technical specifications which could lower the cost estimate.

Funding for Phase 1 is available from the approved FY2014/15 Power Plant operating budget in the Unit #8 Ash system account. This account contains \$134,000 and will be carried over to the FY 2015/16 budget.

ALTERNATIVES:

1. a. Accept the report of bids.
b. Reject all bids and direct staff to rebid the project at a later date.
2. Award a contract to J.J. Westhoff Construction Co., Lincoln, NE for the Phase 1 Ash Pond Rehabilitation in the amount of \$188,000. City of Ames will pay applicable sales tax directly to the state of Iowa.
3. a. Do not direct staff to rebid at a later date.
b. Do not award project.

MANAGER'S RECOMMENDED ACTION:

By choosing Alternative 1, staff believes it would be in the City's best interest to reject all bids received and rebid at a later date in order to attempt to obtain competitive bids that are more in alignment with the cost estimate.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.