

COUNCIL ACTION FORM

**SUBJECT: WATER POLLUTION CONTROL FACILITY DECANT LINE
REPLACEMENT**

BACKGROUND:

In 2015, bids were received for a new biosolids tank with improved load out facilities. However, bids came in nearly one million dollars over the initial budget. Despite efforts to redesign and reduce construction costs, a cost-effective solution was not found for the tank, and staff has indefinitely postponed the full project. A small portion of this initial project was to replace the sludge lagoon decant line that has become plugged over time. An attempt has been made to clean out the existing decant line, but this was unsuccessful. This line is critical to the operation of the plant and still needs to be replaced to continue normal operation. The new line will be a different material than the existing ductile iron to help mitigate clogging in the future. Along with replacing the line, a manhole will be added to allow for better access for cleaning. Valves associated with the decant line that have neared the end of their service life will also be replaced.

This project has gone out for bids previously, but the lowest responsible bid received exceeded the dollar threshold that requires City Council approval. The consulting engineer originally estimated the project at a significantly lower amount than the bids received. The higher-than-expected bid prices are attributed to a combination of the accelerated project schedule and current contractor availability.

In order to proceed, the project must be re-bid with the Notice to Bidders being issued by the Council. To help try to bring the cost down, the deadline for completion in the specifications has been extended. The project is now ready for rebidding. The estimated project expense is as follows.

Engineering fees (tank)	\$ 105,986
Engineering fees (decant line)	9,500
Construction Estimate	160,000
<u>Contingency</u>	<u>20,000</u>
Total project cost	\$ 295,486

A summary of the project budget is shown below.

FY 13/14 CIP (Actual Expense)	\$ 101,419	Engineering
FY 14/15 CIP (Actual Expense)	1,568	Engineering
<u>FY 15/16 CIP (Amended)</u>	<u>201,600</u>	<u>Decant Line</u>
Project Total	\$ 304,587	

The decant line replacement is associated with the Residuals Handling Improvements Project which began in the 2013/14 Capital Improvements Plan. The original project was anticipated to use a Clean Water State Revolving Fund (SRF) loan. However, the decant line is estimated at a substantially lower cost and staff proposes to use the available balance in the Sewer Fund instead of debt financing. The current year CIP will be amended to delete the larger biosolids storage tank (\$2,073,014), and retain only enough funding to complete the decant line replacement (\$201,600). Council will see a modified and less expensive solution to the need for additional flexibility in managing biosolids as a part of the FY 16/17 CIP that will be presented in January.

ALTERNATIVES:

1. Grant preliminary approval of the plans and specifications and issue a Notice to Bidders, setting January 5, 2016, as the bid due date and January 12, 2016, as the date for public hearing and award.
2. Do not approve plans and specifications at this time.

MANAGER'S RECOMMENDED ACTION:

The decant line is a critical part of the normal operation of the Water Pollution Control Facility. The plugged line means liquid will not be able to be drained from the storage lagoon, potentially causing the lagoon to overflow and cause environmental harm. To ensure that the decant liquid from the lagoon is properly treated, the plugged line must be replaced. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.