

**COUNCIL ACTION FORM**

**SUBJECT: CHANGE ORDER FOR WATER TREATMENT PLANT LIME SLUDGE DISPOSAL OPERATIONS**

**BACKGROUND:**

The City's Water Treatment Plant (WTP) is a conventional lime-softening facility that generates approximately 22,000 wet tons of lime sludge each year. The lime sludge, a by-product of the softening process, consists primarily of calcium carbonate and magnesium hydroxide and is discharged from the treatment process into storage lagoons located east of the WTP. On May 28, 2013, Council awarded a contract to Wulfekuhle Injection and Pumping Inc. in the amount of \$1,882,220. The work that was performed under this contract included both the annual maintenance to remove lime from three small lime cells at the existing Water Plant, and extra lime disposal necessary for improvements as part of the new water plant construction project. The maintenance portion of the contract was completed in FY 2013/14 as planned.

The lime sludge removal related to the new water plant was a significant one-time increase in quantity. Under normal annual lime removal contracts, the contractor is not paid until the lime has been incorporated into agricultural fields. The significantly larger quantity this time, however, posed a challenge for the contractor to have all of the material applied during one season. Because of this, City staff and the contractor came to an agreement that the contractor would be able to excavate and stockpile the lime and receive a partial payment; with final payment made when proof of incorporation on agricultural land was provided.

The original terms of the contract were to remove 150,000 tons of lime from Cell 4 for the new water plant project by June 15, 2014. The completion date was later changed to December 31, 2014 by change order. Only 80,000 wet tons of lime sludge had been removed by that deadline. The water plant contractor needed to begin their work in the lime pond area and the deadline for lime sludge removal contract was not able to be extended. Since no additional excavation can be performed in Cell 4 at this time, a change order has been issued to decrease the contract amount by \$735,000.

The lime sludge contractor has some lime still stockpiled, and the City is holding approximately \$63,000 in retainage. That amount will still be paid to the contractor once the material has been land-applied.

**ALTERNATIVES:**

1. Approve a change order decreasing the contract awarded to Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa by \$735,000.
2. Do not approve a change order at this time.

**MANAGER'S RECOMMENDED ACTION:**

There is no additional work that can occur under this contract. It is in the City's best interest to approve the change order to reflect the actual quantity of work to be performed. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.