

COUNCIL ACTION FORM

**SUBJECT: RESOURCE RECOVERY PLANT CONTRACT EXTENSION FOR
HAULING AND RELATED SERVICES TO BOONE COUNTY LANDFILL**

BACKGROUND:

On April 22, 2014 Council awarded a contract to Waste Management of Ames for hauling and related services for the Resource Recovery Plant during the 2015 fiscal year. This bid had four optional extension periods through June 30, 2019. Extension periods are contingent upon approval of funding by Council. The period from July 1, 2017, through June 30, 2018, will be the third optional extension period. The approved FY 2018 budget includes \$262,500 for this work.

This contract includes furnishing container services and hauling materials from the Resource Recovery Plant to the Boone County Landfill. Materials hauled under this contract are those that cannot be processed into fuel by the Resource Recovery Plant.

Under this contract, containers are provided and materials are hauled from the Resource Recovery Plant to the Boone County Landfill. The contract is based on a per-mile per-ton bid amount and a round trip distance to the Boone County Landfill of 36 miles. There is a provision in the contract to allow longer hauls, up to 120 miles round trip, as well as a provision to cancel the contract if this type of service is no longer needed because of a change in disposal procedures.

The base bid price of \$.3941 per mile per ton is adjustable for each extension period based on 10% of the bid amount based on fuel costs, and on the diesel fuel price index as determined by the IDOT on the March 1 preceding the renewal.

The original base bid price of \$.3941 per mile per ton translated to \$14.19 per ton for a round trip to the Boone County Landfill. Under the contract adjustment clause, the contract price will decrease to \$.3755 per mile per ton for FY 2018, decreasing the cost for a round trip to the Boone County Landfill to \$13.52 per ton.

Total cost of this contact is dependent on tonnage hauled. The budget amount will haul approximately 19,415 tons. If tonnage exceeds this amount, the budget will be amended at the appropriate time.

ALTERNATIVES:

1. Approve the renewal option for FY 2018 for hauling and related services for the Resource Recovery Plant to Waste Management of Ames in the amount of \$.3755 per mile per ton.
2. Reject the renewal option and re-bid for hauling and related services for the Resource Recovery Plant.

CITY MANAGER'S RECOMMENDED ACTION:

Landfill hauling and related services are an important part of our Resource Recovery Plant's operations, and the bidding process has identified the lowest evaluated price.

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