

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR FIVE-YEAR WATER TREATMENT PLANT WELL REHABILITATION PROJECT

BACKGROUND:

On March 27, 2017, City Council approved plans and specifications for the Water Treatment Plant Five-Year Well Rehabilitation Project. This project continues the practice of rehabilitating the drinking water wells in a preventative-maintenance cycle instead of waiting until the wells are unable to produce adequate water volumes.

The project plans and specifications detail the rehabilitation process and timeline to be used for the five-year rehabilitation cycle. The specifications call for a one-year contract with the possibility of four, one-year renewal options. The initial contract will be effective through June 30, 2018. A Consumer Price Index will be used to adjust the contract price for each subsequent contract renewal. Future year renewals will be based on satisfactory performance during the prior year and on the City Council appropriating funds.

At total of four bids were received for this contract on April 25, 2017. A copy of the bid tabulation is attached. The apparent low bidder is Northway Well and Pump Company of Marion, Iowa with a total five-year bid price of \$409,500.00.

Bidder	Total Price Over Five Years
The Northway Corporation	\$ 409,500.00
Cahoy Pump Service, Inc.	\$ 512,000.00
Layne Christensen Co.	\$ 695,035.00
Peerless Well & Pump, Inc.	\$ 966,250.00

The first year of the contract, which includes work to be completed by June 30, 2018, totals \$97,500.00. Staff also anticipates that well repairs will be required in conjunction with the rehabilitation work. The extent of the repair work will not be known until the wells are taken out of service for the rehabilitation. Well repair costs will be addressed through change orders at the completion of work on each well. The Water Treatment Plant operating budget for well rehabilitation includes a total of \$80,000.00 to cover the first year of the contract (FY 2017-18), with an additional \$25,000.00 for repair work.

The received bids were higher than the anticipated costs used during the budget preparation, resulting in a \$17,500 operating budget shortfall. Staff is recommending that the City proceed with awarding the contract at this time. If repair costs are lower than estimated, it is still possible that the work can be completed with no overall impact to the operating budget. Any necessary adjustments can be addressed in conjunction with the mid-year budget adjustments; possibly by reallocating savings from elsewhere in the operating budget, or by delaying the work on one of the five wells.

ALTERNATIVES:

1. Award the first year contract to Northway Well and Pump Company of Marion, Iowa in the amount of \$97,500.00.
2. Do not award a contract at this time.

MANAGER'S RECOMMENDED ACTION:

Regular maintenance of the City's potable water wells is required to ensure adequate water volume to meet the city's current and future drinking water needs. It is in the city's best interest to maintain the wells by continuing to rehabilitate the wells on a five-year cycle. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

CITY OF AMES, IOWA	Annual Mobilization:	Cleaning of City of Ames Well #6	Cleaning of City of Ames Well #7	Cleaning of City of Ames Well #8	Cleaning of City of Ames Well #9	Cleaning of City of Ames Well #10	Cleaning of City of Ames Well #11	Cleaning of City of Ames Well #13	Cleaning of City of Ames Well #14
Ph: 515-239-5125 Fax: 515-239-5325 Mike Adair, Procurement Specialist II									
Bid No. 2017-136									
Water Treatment Plant									
Five-Year Well Rehabilitation Project									
BIDDERS									
The Northway Corporation	\$0.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00
Cahoy Pump Service, Inc.	\$6,700.00	\$21,500.00	\$21,500.00	\$21,500.00	\$21,500.00	\$21,500.00	\$21,500.00	\$21,500.00	\$21,500.00
Layne Christensen Co.	\$14,057.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00
Peerless Well & Pump, Inc.	\$13,600.00	\$42,000.00	\$42,000.00	\$42,000.00	\$42,000.00	\$43,000.00	\$43,000.00	\$43,000.00	\$42,000.00

CITY OF AMES, IOWA	Cleaning of City of Ames Well #15	Cleaning of City of Ames Well #16	Cleaning of City of Ames Well #17	Cleaning of City of Ames Well #18	Cleaning of City of Ames Well #19	Cleaning of City of Ames Well #20	Cleaning of City of Ames Well #21	Cleaning of City of Ames Well #22	Cleaning of City of Ames Well #23
Ph: 515-239-5125 Fax: 515-239-5325 Mike Adair, Procurement Specialist II									
Bid No. 2017-136									
Water Treatment Plant									
Five-Year Well Rehabilitation Project									
BIDDERS									
The Northway Corporation	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00
Cahoy Pump Service, Inc.	\$22,500.00	\$22,500.00	\$23,500.00	\$23,500.00	\$23,500.00	\$23,500.00	\$23,500.00	\$23,500.00	\$23,500.00
Layne Christensen Co.	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00
Peerless Well & Pump, Inc.	\$43,250.00	\$43,250.00	\$43,250.00	\$43,000.00	\$43,000.00	\$43,000.00	\$43,000.00	\$42,000.00	\$42,000.00

CITY OF AMES, IOWA	Cleaning of City of Ames Well #24	Cleaning of City of Ames Well #25	Cleaning of City of Ames Well #26	Cleaning of City of Ames Well #27	Total Amount for Bid Items 1 & 2:
Ph: 515-239-5125 Fax: 515-239-5325 Mike Adair, Procurement Specialist II					
Bid No. 2017-136					
Water Treatment Plant					
Five-Year Well Rehabilitation Project					
BIDDERS					
The Northway Corporation	\$19,500.00	\$19,500.00	\$19,500.00	\$19,500.00	\$409,500.00
Cahoy Pump Service, Inc.	\$23,500.00	\$24,500.00	\$24,500.00	\$24,500.00	\$512,000.00
Layne Christensen Co.	\$29,750.00	\$29,750.00	\$29,750.00	\$29,750.00	\$695,035.00
Peerless Well & Pump, Inc.	\$43,000.00	\$43,500.00	\$43,500.00	\$43,500.00	\$966,250.00