

COUNCIL ACTION FORM

**SUBJECT: WPC FACILITY BIOSOLIDS DISPOSAL OPERATIONS –
ACCEPTANCE OF SECOND YEAR’S WORK AND AWARD OF THIRD
YEAR OF CONTRACT**

BACKGROUND:

On May 23, 2017, City Council awarded a \$50,400 contract to Nutri-Ject Systems, Inc. of Hudson, Iowa to complete the second year of a contract for biosolids disposal at the Water Pollution Control Facility. The contract is based on a fixed price per gallon, with the final payment amount varying based on the actual quantity of biosolids disposed. The total payment to the contractor for the second year was \$33,979.62. All work on the second year’s contract was completed to the satisfaction of staff and in accordance with the requirements of the contract, and is ready to be accepted by Council.

The contract is renewable annually for up to a total of three years, dependent upon successful performance by the contractor each year. Unit rates for annual renewals are pegged to changes in the Consumer Price Index (CPI) and the Construction Cost Index (CCI). For this renewal period, the price adjustment is 3.5%. **Staff recommends that Council accept completion of the work under the second year’s contract. Staff also recommends award to Nutri-Ject Systems, Inc. for the third year of the agreement in the amount of \$52,025.** This would be the final year covered under bids that were solicited in the spring of 2016. The FY 2018/19 operating budget includes an allocation of \$80,000 for this work.

During the coming year, modifications to the digesters are planned. It may be necessary for the contents of the digester to be removed to allow the work to proceed. Cleaning of the digester is work that is very similar to the biosolids disposal work covered under this contract. If digester cleaning proves to be necessary, staff would likely negotiate a change order to this contract with Nutri-Ject. Approval of the change order would be in accordance with the City’s Purchasing Policies.

ALTERNATIVES:

1. Accept completion of the second year’s contract in the amount of \$33,979.62; and award a contract to Nutri-Ject Systems, Inc. of Hudson Iowa for Year Three of a three-year agreement for biosolids disposal in the amount of \$52,025.
2. Do not accept completion of the second year’s contract and do not award a contract at this time and direct staff to solicit new bids for biosolids disposal.

3. Do not award a contract and direct staff to pursue equipment purchases to allow staff to perform this operation using city resources.

MANAGER'S RECOMMENDED ACTION:

Disposal of biosolids at the WPC Facility is necessary for uninterrupted operation of the facility and continued compliance with the facility's NPDES permit. Nutri-Ject System, Inc. has demonstrated their ability to complete the work under this project by successfully completing prior biosolids hauling work for the City of Ames.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting completion of Year Two in the amount of \$33,979.62 and approving a contract to Nutri-Ject Systems, Inc. of Hudson Iowa for Year Three of a three-year agreement for biosolids disposal in the amount of \$52,025.