

COUNCIL ACTION FORM

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

BACKGROUND:

On June 14, 2022, 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, 2023. A Consumer Price Index inflation factor will be used to adjust the contract price for each subsequent contract renewal and the cost increase in future years would be an identical percentage for both bidders. Future year renewals will be based on satisfactory performance during the prior year and on the City Council appropriating funds.

A total of two bids were received for this contract on July 13, 2022, as shown below:

Bidder	Total Price Over Five Years
The Northway Corporation	\$ 594,825
Cahoy Pump Service, Inc.	702,500

The apparent low bidder is The Northway Corporation of Marion, Iowa. The first year of the contract is for five wells and the work is to be completed by June 30, 2023. The cost breakdown includes \$1,000 per well for mobilization and \$27,325 per well for the rehabilitation work, for a total Year One contract cost of \$141,625.

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 \$119,500 to cover the first year of the contract (FY 2022-23), with an additional \$30,000 for repair work for a total authorized budget of \$149,500.

The bids received were higher than the anticipated first year costs used during the budget preparation. Staff is recommending that the City proceed with awarding the contract at

this time. If repair costs are lower than the \$30,000 budgeted, it is still possible that the work can be completed with no overall impact to the operating budget. If repairs are costlier and the budget shortfall cannot be made up from savings elsewhere in the operating budget, staff can delay the work on one of the five wells.

ALTERNATIVES:

1. Award the first-year contract to The Northway Corporation of Marion, Iowa, in the amount of \$141,625.00.
2. Do not award a contract at this time.

CITY 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. The low bidder has successfully performed this work for the past 15 years, and staff is comfortable with their performance and expertise.

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