

ITEM # 23
DATE June 10, 2008

COUNCIL ACTION FORM

**SUBJECT: AWARD OF CONTRACT FOR WATER TREATMENT PLANT LIME
SLUDGE DISPOSAL OPERATIONS**

BACKGROUND:

The City of Ames Water Treatment Plant (WTP) is a conventional lime-softening facility. The WTP 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. To continue to have adequate lime sludge storage, the storage lagoons are cleaned out annually. Once removed from the storage lagoons, the lime sludge is applied to agricultural land as a soil conditioner. For the past 15 years, the WTP has used land application as the primary disposal method.

The current contract for cleaning out the lime sludge lagoons and disposing of the lime sludge will end on June 30, 2008. Staff intends to have a new lime sludge disposal contract in place by July 1, 2008 to ensure that adequate lime sludge storage remains available. This contract will be renewable for five years with successful performance each year.

Requests for bids were sent on May 5, 2008, and on May 27, 2008 the City received two complete bids. Wulfekuhle Injection and Pumping Inc. was the apparent low bidder in the amount of \$316,220. Synagro Central, LLC submitted a bid in the amount of \$438,600. Wulfekuhle Injection and Pumping Inc. has not previously performed work for the City, but reference checks indicate satisfactory work performance.

The FY 08-09 budget for the Water Treatment Plant includes \$234,600 for lime sludge disposal. Since we are not into FY08/09, staff is uncertain where additional savings can be made to cover the remaining costs of this project. Therefore, at this time staff recommends that the remaining \$81,620 be authorized from the Water Fund balance. Removing lime sludge residuals is critical and essential to the WTP.

Higher prices than originally anticipated in the FY 08/09 budget are mainly due to the rapidly increasing cost of fuel. However, Wulfekuhle Injection and Pumping Inc. did not submit an alternative price proposal to annually modify contract unit prices over the four annual extension periods. Therefore, the unit prices bid will not change for the five-year duration of this contract. Those annual extensions are subject to satisfactory performance by Wulfekuhle and appropriation of funding by the City Council.

ALTERNATIVES:

1. Award a contract to Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa in the amount of \$316,220 and authorize the budget amendment as described above.
2. Reject bids and do not award a contract at this time.

MANAGER'S RECOMMENDED ACTION:

The current contract to dispose of lime sludge at the WTP will expire on June 30, 2008. It is in the City's best interest to continue lime sludge disposal operations to ensure that adequate lime sludge storage is available.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa in the amount of \$316,220.

CAF APPROVAL

SS W BK JK SL _____

DM _____ JP JKP

To be sent to _____
