

ITEM # 24
DATE: 09-23-08

COUNCIL ACTION FORM

SUBJECT: PROCUREMENT OF AN INDUCTION SORTING SYSTEM FOR A NON-FERROUS METALS RECOVERY SYSTEM

BACKGROUND:

Resource Recovery annually processes in excess of 50,000 tons of municipal solid waste. After processing, the breakout of material is as follows: 64% Refuse-Derived Fuel (RDF) burned at the City's power plant; 5% ferrous metals transported to Minnesota for additional processing and reuse; and the remaining 31%, approximately 18,000 tons, of rejected material is currently landfilled each year. Of that 18,000 tons, staff has identified 1.17% (219 tons) is non-ferrous metals with a projected market value of \$219,000. The 2008/09 Capital Improvement Plan identifies a non-ferrous recovery system to capture these metals.

The Iowa Department of Natural Resources has awarded the City of Ames a low-interest loan through their Solid Waste Alternatives Program for a non-ferrous recovery system. The City of Ames contracted with RRT Design & Construction for design engineering and construction management services to install a non-ferrous recovery system at the Resource Recovery Plant. Total funding for this non-ferrous recovery system project is in the amount of \$1,100,000.

Working with City staff, RRT has identified three main components for an effective non-ferrous metals recovery system. These three components are an Eddy Current System, Induction Sorting System, and related conveyors. In an attempt to maximize the number of bidders and the procurement of this system, these three components were bid separately. RRT provided plans and specifications for the Induction Sorting System (ISS). The ISS is estimated to cost \$263,000.

On Wednesday, September 10, 2008, one bid was received and found to be non-responsive due to lack of a bid bond. Staff will work with the Engineer to reintroduce the project under one comprehensive set of plans and specifications that will encompass the procurement and installation of all system components through one prime contractor.

ALTERNATIVES:

1. Accept the report of no responsive bids.
2. Delay the project.

MANAGER'S RECOMMENDED ACTION:

Staff has learned that material suppliers have difficulty or the inability to meet the project bonding that is required under state law. All project components will be rebid together under one project that will also include the installation. Having one prime contractor responsible for both the procurement and installation will address any issues related to the inability of a material supplier not being able to get project bonding.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1, thereby accepting the report of no responsive bids.