

ITEM # 17
DATE: 12-09-08

COUNCIL ACTION FORM

SUBJECT: NON-FERROUS METALS RECOVERY SYSTEM AT THE RESOURCE RECOVERY PLANT REPORT AND AWARD OF BIDS

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 land filled 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 (IDNR) has awarded the City of Ames a low-interest loan through their Solid Waste Alternatives Program for a non-ferrous recovery system. This low interest loan will cover 75% (\$825,000) of the estimated \$1,100,000 project cost.

Staff has contracted with RRT Design & Construction for design engineering and construction management services to install a non-ferrous metals recovery system. Initially, RRT Design and staff planned for the City to procure the three major components of this system and then contract with a construction firm to install them. Procurement proved difficult with equipment manufacturers due to their inability to provide performance bonding. RRT Design provided bid specifications for the procurement and installation of a complete non-ferrous metals recovery system.

On December 2, 2008, bids were opened for this project. A summary of all bids follows:

Bidder	Bid Amount
Engineer's Estimate	\$1,134,472.00
A-Lert Construction Services, Fredonia, KS	\$1,141,577.00
Hoffmann, Inc., Muscatine, IA	1,225,111.69
PMI of Iowa, LLC, Ames, IA	1,235,256.00
Weitz Industrial, LLC, Cedar Rapids, IA	1,425,000.00

The funding for this project includes \$825,000 from the IDNR SWAP grant loan, \$275,000 identified in the CIP, and \$41,577 from the Resource Recovery Fund. The project continues to have an estimated five to six year payback.

ALTERNATIVES:

1. Award a contract to A-Lert Construction Services of Fredonia, Kansas in the amount of \$1,141,577.00.
2. Delay the project.

MANAGER'S RECOMMENDED ACTION:

Having all project components under one contract, along with the installation, will address the previous issue regarding the inability of equipment manufacturers to provide performance bonding. Moving forward with this award should provide for the installation of the non-ferrous recovery system to be completed by spring of 2009.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract to A-Lert Construction Services of Fredonia, Kansas in the amount of \$1,141,577.00.