

COUNCIL ACTION FORM

SUBJECT: WATER TREATMENT PLANT WELL REHABILITATION PROJECT

BACKGROUND:

On March 6, 2007, City Council approved plans and specifications for the Water Treatment Plant Five-year Well Rehabilitation Project. This project involves a plan to rehabilitate the utility's drinking water wells on a five-year preventive cycle instead of waiting until wells are unable to produce adequate water volumes. The intent of the five-year cycle is to ensure that the current wells maintain their capacity for as long as possible, thus postponing the need to construct new potable supply wells.

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 a possibility of four, one-year renewal options. The second year of this contract will expire June 30, 2009. A formula based on a Consumer Price Index is used to adjust prices for each renewal year's contract period. Contract renewals are based on satisfactory performance during prior years and on the City Council's appropriation of funds.

Northway Well and Pump Company of Marion, Iowa was the low bidder for the one-year contract that expired on June 30, 2008. They were also awarded the contract for the second year of the five-year contract that expires on June 30, 2009. Northway's performance the past two years has been deemed satisfactory by City staff members. The cost of the third year of the contract, which includes four wells to be completed by June 30, 2010, totals \$55,240.

As in the previous two years, staff anticipates repairs will be required in conjunction with the rehabilitation of these wells. The extent of the repair work will not be known until the wells are taken out of service and disassembled. The bidder has included unit prices for common repair components with the bid. Where appropriate, these bid unit prices will be used to calculate payment for well repair work. All 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 \$58,200 to cover the third year of the contract (2009/10), with an additional \$61,600 available for repair work as needed during these well rehabilitations.

ALTERNATIVES:

1. Award the third-year contract to Northway Well and Pump Company of Marion, Iowa in the amount of \$55,240 for rehabilitation of four wells in 2009/10.
2. Do not award a contract at this time.

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 setting up a five-year well rehabilitation cycle.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a \$58,200 contract with Northway Well and Pump Company to implement the third year of the City's five-year well rehabilitation cycle.