

**COUNCIL ACTION FORM**

**SUBJECT: REPORT OF BIDS FOR POWER PLANT ASH DISPOSAL AND ASH POND RECLAMATION SERVICES**

**BACKGROUND:**

This contract is for the hauling and disposal of bottom ash from the Power Plant coal fired boilers. Bottom ash is hydraulically transported to the ash pond east of the Power Plant. The ash pond serves as a settling pond where the ash falls to the bottom and relatively clean water can be recycled to the power plant to transport additional ash from the bottom of the boilers. The ash itself is composed of inorganic materials in the coal and Refuse Derived Fuel (RDF) that do not burn and must be removed from the boilers to allow continual operation.

Over time the ash builds up on the bottom of the pond and reduces the available capacity of the pond. This ash must be periodically removed via excavating or dredging, allowed to dewater, and then transported off-site for disposal. Currently there is a large amount of ash, over 25,000 tons, which has been removed from the pond and dewatered on the banks next to the pond. This ash must be moved off-site to allow additional ash to be dredged from the pond in order to maintain the working capacity of the ash pond.

Bid notices were sent to sixteen potential bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published in the Ames Tribune. On October 28, 2009, staff received a sealed bid from one firm. The results are on the attached bid summary.

Electric Services staff evaluated the bid and determined it to be non-responsive because the bidder did not provide all of the required submissions as outlined in the technical specifications of the bid document. One of the key requirements specified in this section is that the bidder shall include Iowa Department of Natural Resources (IDNR) approval of disposal of ash from the City of Ames site to the proposed destinations. This bidder stated that it acquired approval for the beneficial reuse site for the bottom ash, but it did not submit the proper permits with the bid. Staff contacted other potential bidders who did not respond. Those businesses indicated that they did not submit a bid because they did not have a permitted site for receiving the ash.

As City Council may recall, this is the second time that this project has been sent out for bid. On February 10, 2009, City Council rejected the bids received and directed staff to rebid when an approved disposal site was finally determined. At that time staff evaluated two responsive bids and determined that the low bid was acceptable. However, the award of contract was contingent upon Iowa Department of Natural Resources (IDNR) approval of an ash disposal site which did not occur.

Potential bidders are currently attempting to secure the required IDNR permit. Electric Services staff is also researching other potential disposal sites and other beneficial use options for the ash product in lieu of landfill disposal. Until a viable option is identified, the ash will continue to accumulate.

The approved FY2009/10 operating budget includes \$498,960 and the approved FY2010/11 operating budget includes \$950,000 for this disposal.

**ALTERNATIVES:**


1. Reject the bid for the Power Plant Ash Hauling and Ash Pond Reclamation Services Project, and direct staff to rebid when approved disposal sites are finally determined.
2. Rebid the Power Plant Ash Hauling and Ash Pond Reclamation Services Project at this time, and do not delay the project.

**MANAGER'S RECOMMENDED ACTION:**

There is no approved permitted site in the immediate area for the disposal of the ash at this time. Staff feels that it is an inefficient use of time and funds to rebid the disposal project without first knowing that a permitted disposal site exists in the central Iowa area.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, rejecting the bid for the Power Plant Ash Hauling and Ash Pond Reclamation Services Project and directing staff to rebid when approved disposal sites are finally determined.

Bid Summary 2010-043

	<p align="center"><b>INVITATION TO BID NO. 2010-043</b>  <b>POWER PLANT ASH HAULING AND ASH POND</b>  <b>RECLAMATION SERVICES</b></p>	
BIDDER	BASE BID	ALTERNATE
Biosolids Management Group, Inc., Boone, Iowa	\$1,619,341.56	\$1,484,341.56