

COUNCIL ACTION FORM

SUBJECT: CONTRACT EXTENSION FOR HAULING TO BOONE CO. LANDFILL

BACKGROUND:

On May 26, 2009 Council awarded a contract to Waste Management of Ames for hauling and related services for the Resource Recovery Plant during the 2010 fiscal year. The period from July 1, 2010, through June 30, 2011, is the first of four optional extension periods, each of which is contingent upon approval of funding by Council. The approved FY 2011 budget includes \$168,000 for this work.

This contract includes furnishing container services and hauling materials from the Resource Recovery Plant to the Boone County Landfill. Materials hauled under this contract are those that cannot be processed into fuel by the Resource Recovery Plant.

Under this contract, containers are provided and materials are hauled from the Resource Recovery Plant to the Boone County Landfill. The contract is based on a per-mile per-ton bid amount and a round trip distance to the Boone County Landfill of 36 miles. There is a provision in the contract to allow longer hauls, up to 120 miles round trip, as well as a provision to cancel the contract if this type of service is no longer needed because of a change in disposal procedures.

The base bid price of \$.3333 per mile per ton is adjustable for each extension period based on 12% of the bid amount based on fuel costs, and on the diesel fuel price index as determined by the IDOT on the March 1 preceding the renewal.

The original base bid price of \$.3333 per mile per ton translated to \$12.00 per ton for a round trip to the Boone County Landfill. Under the contract adjustment clause, the contract price will increase to \$.361 per mile per ton for FY 2011, increasing the cost for a round trip to the Boone County Landfill to \$13.00 per ton.

Total cost of this contact is dependent on tonnage hauled. The budgeted amount will haul approximately 12,923 tons. If tonnage exceeds this amount, the budget will be amended at the appropriate time.

ALTERNATIVES:

1. Approve the renewal option for FY 2011 for hauling and related services for the Resource Recovery Plant to Waste Management of Ames in the amount of \$.361 per mile per ton.
2. Reject the renewal option and re-bid for hauling and related services for the Resource Recovery Plant.

MANAGER'S RECOMMENDED ACTION:

Landfill hauling and related services are an important part of our Resource Recovery Plant's operations, and the bidding process has identified the lowest evaluated price.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the renewal option for FY 2011 for hauling and related services for the Resource Recovery Plant to Waste Management of Ames in the amount of \$.361 per mile per ton.