

COUNCIL ACTION FORM

**SUBJECT: CONTRACT EXTENSION FOR RESOURCE RECOVERY PLANT
HAULING TO BOONE COUNTY LANDFILL AND RELATED SERVICES**

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 FY 2010. The period from July 1, 2010, through June 30, 2011, was the first of four optional extension periods. The period from July 1, 2011, through June 30, 2012, will be the second of four optional extension periods. Extension periods are contingent upon approval of funding by Council. The approved FY 2012 budget includes \$199,125 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 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 due to 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 related to 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 \$.3915 per mile per ton for FY 2012, increasing the cost for a round trip to the Boone County Landfill to \$14.09 per ton.

Total cost of this contact is dependent on tonnage hauled. The budgeted amount will allow for hauling approximately 14,132 tons. If tonnage exceeds this amount, the budget will be amended at the appropriate time.

ALTERNATIVES:

1. Approve the renewal option for FY 2012 for the Resource Recovery Plant's hauling and related services to Waste Management of Ames in the amount of \$.3915 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 a previous bidding process 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 2012 for the Resource Recovery Plant's hauling and related services to Waste Management of Ames in the amount of \$.3915 per mile per ton.