

COUNCIL ACTION FORM

SUBJECT: ULTRAVIOLET (UV) DISINFECTION EQUIPMENT FOR WATER POLLUTION CONTROL FACILITY

BACKGROUND:

As part of the new National Pollutant Discharge Elimination System (NPDES) permit for the City's Water Pollution Control (WPC) Facility, the effluent must now meet seasonal (March 15-November 15) water quality standards for *E. Coli*, a bacteria used as an indicator of human waste contamination. The new NPDES permit includes a compliance schedule to construct a disinfection system, with the system required to be operational by the spring of 2014.

The City's consultant on this project suggested that the City bid the equipment, secure contract terms and a price to purchase ultraviolet (UV) disinfection equipment, and then assign or transfer the purchase responsibility to the general contractor as part of the construction project. Discussions with several equipment manufacturers and contractors demonstrated that equipment purchase re-assignment is a relatively common practice in construction projects. The City will initially enter into a contract to procure the UV equipment and secure contract terms and price. The City will pay 10 percent of the contract price after approval of shop drawing submittals, and the remaining 90 percent of the contract will be assigned to the general contractor.

On November 22, 2011, Council approved specifications and issued a Notice to Bidders to purchase this ultraviolet equipment for the WPC Facility. On January 4, 2012, bids were opened for the project. Two bids were received and are summarized below.

Manufacturer	Capital Cost, \$	7% Sales Tax, \$	Freight, \$	Grand Total, \$	Lamp Replacement Cost*, \$	Follow-up Trip Cost, \$
Trojan Technologies	340,000.00	23,800.00	8,000.00	371,800.00	210 ea.	1,200/trip
Xylem Water Solutions USA, Inc.	404,740.00	28,331.80	4,760.00	437,831.80	135 ea.	1,200/day

*Guaranteed for three years

After reviewing the bids and supplemental information provided by the manufacturers, staff recommends award to Trojan Technologies. The engineer's estimate of probable cost for the equipment was \$700,000. Both bids came in under this amount.

The approved 2011-2016 Capital Improvements Plan showed an anticipated total project budget of \$3,013,076, which included \$1,350,000 in the current fiscal year to complete the design and initiate construction activities. Funding for the project will be

through a low-interest loan from the Clean Water State Revolving Fund (SRF), with repayment of the loan coming from the Sanitary Sewer Fund.

ALTERNATIVES:

1. Award a purchase contract for this equipment to Trojan Technologies of London, Ontario, Canada in the amount of \$371,800.00. As a part of this award, the City Council also approves the alternate Affirmative Action information.
2. Reject bids and direct staff to include the equipment as part of the overall construction project.
3. Take no action on the bids. This would result in the City violating the terms of its NPDES permit upon the expiration of the compliance schedule.

MANAGER'S RECOMMENDED ACTION:

The disinfection system is a requirement of the NPDES permit, and a binding compliance schedule has been established to install this system. The project is listed on the SRF intended-use plan and indicates the City's intention to use the loan program for construction costs. Staff also intends to assign the equipment purchase contract to the general contractor at the time of award of the construction contract. By selecting the equipment vendor now, the design of the disinfection system can be finalized.

As Trojan Technologies is a Canadian corporation, it is not bound by the State and Federal laws referred to in the City's Affirmative Action documents. Trojan has submitted alternate materials which meet the City's needs to ensure that the company will avoid any discriminatory practices with respect to its obligations to the City of Ames.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract for purchase of the ultraviolet disinfection equipment to Trojan Technologies of London, Ontario, Canada in the amount of \$371,800.00.