

COUNCIL ACTION FORM

SUBJECT: HAULING FERROUS METALS FROM RESOURCE RECOVERY PLANT

BACKGROUND:

On April 26, 2011, Council awarded a contract to Waste Management of Ames for hauling ferrous metals from the Resource Recovery Plant to AMG Resource Corporation in St. Paul, Minnesota. The contract is based on a per-mile, per-ton bid amount and a round trip distance of 460 miles per trip to AMG Resource Corporation.

The period from July 1, 2012 through June 30, 2013, is the first of four 12-month extension periods. Each of these extension periods are contingent upon approval of funding by Council. The base bid price of \$.1236 per mile per ton is adjustable for each extension period based on 44% of the bid amount based on fuel costs, and on the diesel fuel price index as determined by the Iowa Department of Transportation on the March 1 preceding the renewal. Under the contract adjustment clause, the contract price would increase to \$.1265 per mile per ton for FY 2013, increasing the cost for a round trip to St. Paul, Minnesota, to \$58.19 per ton to haul the estimated 1,810 tons. The approved FY 2012/13 budget includes \$105,300 for this work, while the anticipated revenue from ferrous metal sales over this period is \$250,800.

ALTERNATIVES:

1. Approve the contract extension for FY 2012/13 for hauling of ferrous metals for the Resource Recovery Plant to Waste Management of Ames in the amount of \$.1265 per mile per ton.
2. Reject the renewal with Waste Management of Ames and attempt to obtain hauling of ferrous metals on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

The bidding conducted last year identified a multi-year, cost-effective way to contract for ferrous metal hauling.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the contract extension for FY 2012/13 for hauling of ferrous metals for the Resource Recovery Plant to Waste Management of Ames in the amount of \$.1265 per mile per ton.