

COUNCIL ACTION FORM

SUBJECT: WPC FACILITY DIESEL TANK REPLACEMENT

BACKGROUND:

The City's Water Pollution Control (WPC) Facility has a 4,000-gallon above-ground storage tank (AST) used for storage of diesel fuel. The AST supplies both a vehicle fueling station and a 1,750 KW Caterpillar diesel engine. The Caterpillar diesel engine is used to generate electricity for emergency power. **The current tank leaks and can no longer be used for fuel storage.**

The existing AST needs to be closed and removed, and a replacement AST installed in the existing concrete vault. The replacement will also have a 4,000-gallon capacity but will be dual-walled with interstitial monitoring for leak detection. Replacing it with a tank of equal fuel capacity will ensure that the WPC Facility continues to be prepared for periods of prolonged power generation when necessary. The dual-wall and interstitial monitoring capabilities will detect small leaks earlier, thereby prolonging the life of the tank as well as preventing spills of diesel fuel into the vault.

On July 10, 2012, the City Council approved a notice to bidders for this project. On August 1, bids were received to provide all labor, equipment, materials, insurance, and other components necessary to complete the project according to the City's plans and specifications. On August 14, the Ames City Council received the report of bids.

A single bid was received as follows:

	Lump Sum Bid
Acterra Group, Inc. - Marion, Iowa	\$ 188,000

The updated project budget following the bid opening is as follows:

Construction	\$ 188,000
Design, Inspections	21,500
<u>Contingency</u>	<u>15,500</u>
TOTAL	\$ 225,000

The engineer's construction estimate was \$145,000. **While the Acterra Group, Inc. bid was higher than the engineer's estimate, a post-bid review between the engineer, the bidder and department staff found that a lower bid was unlikely if the project was to be re-bid. Staff is recommending that the bid be accepted.**

The funding for the project, including the additional authorization requested in an earlier agenda item, is as follows:

Amended FY 2011/12 CIP	\$140,000
Additional funding requested earlier tonight	<u>85,000</u>
TOTAL	\$ 225,000

ALTERNATIVES:

1. Award a contract to Acterra Group, Inc. of Marion, Iowa for construction services related to the Water Pollution Control Facility Diesel Tank Replacement Project on a lump-sum basis, in an amount not to exceed \$188,000.
2. Reject the bid and direct staff to rebid the work.

MANAGER'S RECOMMENDED ACTION:

The storage of emergency diesel fuel is a vital component of the WPC Facility; and the current tank has failed and needs to be replaced. Water and Pollution Control Department staff members have worked closely with Snyder and Associates during the conceptual and design phases to design a replacement tank that will meet all of the needs of the WPC Facility, reduce environmental risks, meet appropriate regulatory requirements, and minimize costs.

After departmental review of the Acterra Group, Inc. bid, it was determined that while the bid was higher than the engineer's estimate, it is still in the City's best interest to accept this bid and begin construction.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving award of a contract to Acterra Group, Inc. for construction services related to the WPC Facility Diesel Tank Replacement Project on a lump-sum basis, in an amount not to exceed \$188,000.