

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR WATER TREATMENT PLANT LIME  
SLUDGE DISPOSAL OPERATIONS**

**BACKGROUND:**

The City of Ames Water Treatment Plant (WTP) is a conventional lime-softening facility. The WTP generates approximately 22,000 wet tons of lime sludge each year. The lime sludge, a by-product of the softening process, consists primarily of calcium carbonate and magnesium hydroxide and is discharged from the treatment process into storage lagoons located east of the WTP. To continue to have adequate lime sludge storage, the storage lagoons are cleaned out annually. Once removed from the storage lagoons, the lime sludge is applied to agricultural land as a soil conditioner. For the past 20 years, the WTP has used this type of land application as the primary disposal method.

The current contract for cleaning out the lime sludge lagoons and disposing of the lime sludge will end on June 30, 2013. Staff intends to have a new lime sludge disposal contract in place by July 1, 2013 to ensure that adequate lime sludge storage remains available. This contract will be renewable for five years with successful performance each year and with payment out of the water plant operations budget. The annual maintenance contract will remove lime from three small lime cells at the WTP.

In addition to the lime disposal as part of annual maintenance, extra lime disposal is necessary to start preparing for improvements as part of the new water plant project. The base bid requested pricing for removal of 100,000 wet tons in the first two years of the project. Two optional bid alternates were provided: one requested pricing to remove the entire 100,000 tons in the first year, and the second requested pricing to remove 150,000 tons in the first year. The bid alternates were proposed as accelerating the lime removal and removing a larger quantity could potentially make other construction aspects of the new water plant project more cost effective. The additional lime will be removed from the large lime pond and is eligible for inclusion in the State Revolving Fund loan for the new Water Plant project.

Requests for bids were issued on April 26, 2013 and on May 14, 2013 the City received five complete bids. Three firms provided pricing on the bid alternates. The most economical option for the new water plant project is to remove 150,000 wet tons in the first year (bid alternate 2) in addition to the annual maintenance. Wulfekuhle Injection and Pumping Inc. was the apparent low bidder on this option in the amount of \$1,882,220.00. Neese Inc. and Chamness Technology also provided bid prices for this option and are shown in the table. All bids received are listed below:

<b>Base Bid Five Year Sludge Disposal Operation</b>	<b>1 / Year, Lump Sum, Mobilization</b>	<b>28,000 / Year, Wet Tons Removed (Cells 1A, 1B, 1C)</b>	<b>50,000 / Year, Wet Tons Remove d (Cell 4)</b>	<b>4 / Year*, Per Applicatio n, Dust Control Applicatio n</b>	<b>TOTAL BID AMOUNT PER YEAR:</b>
Wulfekuhle Injection & Pumping Inc.	\$6,500.00	\$10.99	\$10.99	\$500.00	\$865,720.00
Biosolids Management Group, Inc.	\$100,000.00	\$10.49	\$12.70	\$5,000.00	\$1,048,720.00
Neese Inc.	\$18,500.00	\$13.25	\$16.90	\$1,500.00	\$1,240,500.00
Gro America, LLC	\$7,000.00	\$19.50	\$19.50	\$1,000.00	\$1,532,000.00
Chamness Technology, Inc.	\$2,500.00	\$16.90	\$27.90	\$1,400.00	\$1,876,300.00
<b>Bid Option 1 Five Year Sludge Disposal Operation</b>	<b>1 / Year, Lump Sum, Mobilization</b>	<b>28,000 / Year, Wet Tons Removed (Cells 1A, 1B, 1C)</b>	<b>100,000 / Year, Wet Tons Remove d (Cell 4)</b>	<b>4 / Year*, Per Applicatio n, Dust Control Applicatio n</b>	<b>TOTAL BID AMOUNT PER YEAR:</b>
Wulfekuhle Injection & Pumping Inc.	\$6,500.00	\$10.99	\$10.80	\$500.00	\$1,396,220.00
Biosolids Management Group, Inc.	NA				
Neese Inc.	\$21,500.00	\$13.25	\$19.90	\$1,500.00	\$2,388,500.00
Gro America, LLC	NO BID				
Chamness Technology, Inc.	\$2,500.00	\$16.90	\$26.10	\$1,400.00	\$3,091,300.00
<b>Bid alternate 2 Five Year Sludge Disposal Operation</b>	<b>1 / Year, Lump Sum, Mobilization</b>	<b>28,000 / Year, Wet Tons Removed (Cells 1A, 1B, 1C)</b>	<b>150,000 / Year, Wet Tons Remove d (Cell 4)</b>	<b>4 / Year*, Per Applicatio n, Dust Control Applicatio n</b>	<b>TOTAL BID AMOUNT PER YEAR:</b>
Wulfekuhle Injection & Pumping Inc.	\$6,500.00	\$10.99	\$10.44	\$500.00	\$1,882,220.00
Biosolids Management Group, Inc.	NA				
Neese Inc.	\$23,000.00	\$13.25	\$23.10	\$1,500.00	\$3,865,000.00
Gro America, LLC	NO BID				
Chamness Technology, Inc.	\$2,500.00	\$16.90	\$25.50	\$1,400.00	\$4,306,300.00

The mobilization and dust control will be divided between the operating budget and SRF expenses based on percent of total lime removed. \$309,057 would be paid for from the operating budget and \$1,573,163 will be funded through an SRF loan. **Staff recommends award for Bid Alternate 2. This bid price is under both the authorized budget and the engineer's estimate, and the larger quantity and quicker schedule provided by Bid Alternate 2 will help contain the cost for construction of the new Water Treatment Plant by providing space to stockpile needed dirt for future lime pond expansion.**

	<b>Annual Maintenance</b>	<b>New WTP- Related</b>	<b>Total</b>
Authorized Budget	\$ 367,000	\$ 2,000,000	\$ 2,367,000
Engineer's Estimate	\$ 367,000	\$ 1,588,000	\$ 1,955,000
Recommended Award	\$ 309,057	\$ 1,573,163	\$ 1,882,883

**ALTERNATIVES:**

1. Award a contract to Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa in the amount of \$1,882,220.00, of which \$309,057 will be paid out of the Water Plant operations budget and \$1,573,163 through a SRF loan.
2. Award a contract for a smaller quantity of material to be removed per year.
3. Reject bids and do not award a contract at this time.

**MANAGER'S RECOMMENDED ACTION:**

The current contract to dispose of lime sludge at the WTP will expire on June 30, 2013. It is in the City's best interest to continue lime sludge disposal operations to ensure that adequate lime sludge storage is available. **This bid price for Bid Alternate 2 is under both the authorized budget and the engineer's estimate, and the larger quantity and quicker schedule provided by Bid Alternate 2 will help contain the cost for construction of the new Water Treatment Plant by providing space to stockpile needed dirt for future lime pond expansion.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa in the amount of \$1,882,220.00, of which \$309,057 will be paid out of the Water Plant operations budget and \$1,573,163 through a SRF loan.

**It should be noted that with the approval of this alternative, years two through five call for the removal each year of 28,000 tons of wet lime sludge from cells 1A, 1B, and 1C at a cost of \$10.99 per wet ton. However, the Council we need to take a separate action each year to approve the continuation of this contract.**