

COUNCIL ACTION FORM

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

BACKGROUND:

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 into fuel by the Resource Recovery Plant. The proposed fiscal year 2015 operating budget includes \$213,750 for this work.

The contract is based on a per-mile, per-ton bid amount, and a round trip distance of 36 miles per trip. 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 because of a change in disposal procedures.

The contract period is from July 1, 2014, through June 30, 2015, with four 12-month extension periods contingent upon approval by City Council. The bid price is adjustable for each extension period based on the diesel fuel price index as determined by the Iowa Department of Transportation (Iowa DOT). The adjustment will be calculated using the percent of the bid price the contractor indicated on their bid is based on fuel cost.

Bids were received at 2:00 p.m. on April 3, 2014, as follows:

BIDDER TON	PER MILE, PER TON BID AMOUNT	FUEL COST %	ROUND TRIP COST PER
Waste Management of Ames	\$.3941	10.0	\$14.19
Walters Sanitary Service, Inc., Boone, IA	.4500	9.0	16.20

Total cost of this contact is dependent on tonnage hauled. With the low bid of \$.3941/mile/ton at the standard round trip of 36 miles, this equates to approximately 15,000 tons of material to be hauled while staying within the budgeted amount of \$213,750. If tonnage exceeds this amount, the budget will need to be amended at the appropriate time.

ALTERNATIVES:

1. Award the contract for the FY2015 hauling and related services for the Resource Recovery Plant to Waste Management of Ames, Iowa, in the amount of \$.3941 per mile per ton, with four optional extension periods, contingent upon approval of funding by City Council. The bid price will be adjusted for the extension periods based on 10% of the bid amount based on fuel costs, and the diesel fuel price index as established by the Iowa DOT.

2. Reject the bids and attempt to obtain hauling and related services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

Staff has analyzed the bids and determined that the lowest net evaluated bid came from Waste Management of Ames, Iowa. Landfill hauling and related services are an important part of the Resource Recovery Plant's operations, and the bidding process has identified the lowest evaluated price.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding the contract for the FY2015 hauling and related services for the Resource Recovery Plant to Waste Management of Ames, Iowa, in the amount of \$.3941 per mile per ton.