

COUNCIL ACTION FORM

**SUBJECT: WATER POLLUTION CONTROL FACILITY THREE-YEAR BIOSOLIDS HAULING AND DIGESTER CLEANING PROJECT**

**BACKGROUND:**

On September 24, 2013, Council approved a contract with Nutri-Ject Systems, Inc. of Hudson, Iowa in the amount of \$139,859.38 for the Water Pollution Control (WPC) Facility Biosolids Hauling and Digester Cleaning Project. This contract included the option of annually extending the contract up to a period of three years contingent upon the contractor successfully completing each prior year's work. As part of the original bid submittal, Nutri-Ject Systems, Inc. included an annual price adjustment for the unit prices bid based on the Construction Cost Index (CCI).

FY 2013/14 Contract

Nutri-Ject Systems, Inc. has completed all work required under the FY 13/14 contract to staff's satisfaction. One change order was issued on June 30, 2014 to adjust the contract quantities of biosolids and digester solids to be disposed of to reflect the actual quantities requiring hauling and disposal. While the change order increased the contract quantity for biosolids hauling, the contract quantity for digester cleaning was reduced so the final contract amount for FY 13/14 was reduced to \$119,799.41. **Staff is recommending acceptance of the FY 13/14 contract.**

FY 2014/15 Contract

The authorized budget for this new fiscal year is shown below.

Biosolids Hauling (Operating Budget)	=	\$100,000
<u>Digester Cleaning (CIP Project Budget)</u>	=	<u>\$ 86,000</u>
Total Project Budget	=	\$186,000

The work for this project was bid on a unit price basis, since the exact number of gallons disposed may vary from year to year. Because the work takes place in a very short window each fall, staff is recommending that this year's award include, as was done in the previous year's contract, a "not to exceed" cap that would allow up to a 25% increase in quantities over what was specified in the original base bid without the need to suspend work to obtain change order approval from Council to adjust quantities. Adjusting the previous year's unit prices based on the CCI increases the FY 14/15 contract to \$143,407.25, a 2.54% increase over the previous year's contract. This includes a \$2,563.50 lump sum for mobilization/demobilization, \$0.01823 per gallon for biosolids hauling, and \$0.1342 per gallon for digester cleaning. **Staff is recommending a renewal award to Nutri-Ject Systems for the second year of the three year agreement in this amount.**

**ALTERNATIVES:**

1. Accept completion of the FY 13/14 WPC Facility Biosolids Hauling and Digester Cleaning project, and award the second year of the three-year contract to Nutri-Ject Systems, Inc., of Hudson, Iowa, with payment for FY 14/15 work based on \$2,563.50 lump sum for mobilization/demobilization, \$0.01823 per gallon for biosolids hauling and \$0.1342 per gallon for digester cleaning with the total contract amount not to exceed \$143,407.25.
2. Accept completion of the FY 13/14 WPC Biosolids Hauling and Digester Cleaning project; but do not award the second year of the contract to Nutri-Jects Systems and direct staff to solicit new bids for the project.
3. Accept completion of the FY 13/14 WPC Facility Biosolids Hauling and Digester Cleaning project, do not award a contract for biosolids hauling to Nutri-Ject Systems, Inc., and direct staff to purchase the additional equipment necessary to perform the work with City staff.

**MANAGER'S RECOMMENDED ACTION:**

Disposal of biosolids at the WPC Facility is necessary for uninterrupted operation of the facility and continued compliance with the facility's NPDES permit. Additionally, cleaning of the digesters is necessary for the completion of a separate project to rehabilitate the digester facilities. Nutri-Ject Systems, Inc. has satisfactorily completed all work required under the previous year's contract. The existing contract with Nutri-Ject allows for up to two annual renewals with the cost to be adjusted based on the Construction Cost Index.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving completion of the FY 13/14 Biosolids Hauling and Digester Cleaning Project, and awarding the second year of the three-year contract to Nutri-Ject Systems, Inc. Since the actual amount of the solids disposed may vary, the total contract will be in an amount not to exceed \$143,407.25 with the actual reimbursement based on the previous year's unit prices increased by the Construction Cost Index increase of 2.54%.