

COUNCIL ACTION FORM

SUBJECT: WATER POLLUTION CONTROL FACILITY DECANT LINE REPLACEMENT

BACKGROUND:

In 2015, bids were received for a new biosolids tank with improved load out facilities. However, bids came in nearly one million dollars over the initial budget. Despite efforts to redesign and reduce construction costs, a cost-effective solution was not found for the tank, and staff has indefinitely postponed the full project. A small portion of this initial project was to replace the sludge lagoon decant line that has become plugged over time. An attempt has been made to clean out the existing decant line, but this was unsuccessful. This line is critical to the operation of the Water Pollution Control Plant and still needs to be replaced to continue normal operation. The new line will be a different material than the existing ductile iron to help mitigate clogging in the future. Along with replacing the line, a manhole will be added to allow for better access for cleaning. Valves associated with the decant line that have neared the end of their service life will also be replaced.

This project has gone out for bids previously, but the lowest responsive bid received exceeded the dollar threshold that requires City Council approval. The consulting engineer originally estimated the project at a significantly lower amount than the bids received. The higher-than-expected bid prices were attributed to a combination of the accelerated project schedule and current contractor availability. To help try to bring the cost down for the re-bid, the deadline for completion in the specifications was extended.

On November 24, 2015, Council issued a notice to bidders. Staff opened bids on January 5, 2016. The bids are summarized below:

Bidder	Total Project Bid Price
Weidner Construction, Inc.	\$ 99,000.00
Ames Trenching and Excavating, Inc.	\$154,444.00
Engineer's Estimate	\$160,000.00
Keller Excavating, Inc.	\$174,000.00
H & W Contracting LLC	\$195,000.00

Veenstra & Kimm, Inc., (V&K) was previously awarded a contract in the amount of \$9,500 for engineering services. The estimated project expense is as follows:

A summary of the projected project expenses are:

Engineering fees (tank)	\$ 105,986
Engineering fees (decant line)	9,500
Construction Bid	99,000
<u>Contingency (20%)</u>	<u>20,000</u>
Total project cost	\$ 234,486

A summary of the project revenues are:

FY 13/14 CIP (Actual Expense)	\$ 101,419	Engineering
FY 14/15 CIP (Actual Expense)	1,568	Engineering
<u>FY 15/16 CIP (Amended)</u>	<u>201,600</u>	<u>Decant Line</u>
Project Total	\$ 304,587	

The decant line replacement is associated with the Residuals Handling Improvements Project which began in the FY 2013/14 Capital Improvements Plan. The original project was anticipated to use a Clean Water State Revolving Fund (SRF) loan. However, the decant line is estimated at a substantially lower cost and staff proposes to use the available balance in the Sewer Fund instead of debt financing. The current year CIP will be amended to delete the larger biosolids storage tank (\$2,073,014), and retain funding to complete the decant line replacement (\$201,600). Council will see a modified and less expensive solution to the need for additional flexibility in managing biosolids as a part of the FY 16/17 CIP that will be presented later this month.

ALTERNATIVES:

1. Award the decant line replacement contract to Weidner Construction, Inc., of Marshalltown, Iowa, in the amount of \$99,000.
2. Do not award contract at this time.

MANAGER'S RECOMMENDED ACTION:

The decant line is a critical part of the normal operation of the Water Pollution Control Facility. The plugged line means liquid will not be able to be drained from the storage lagoon, potentially causing the lagoon to overflow and cause environmental harm. To ensure that the decant liquid from the lagoon is properly treated, the plugged line must be replaced. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.