

COUNCIL ACTION FORM

SUBJECT: WATER TREATMENT PLANT LIME SLUDGE DISPOSAL CONTRACT RENEWAL

BACKGROUND:

The City's Water Treatment Plant is a conventional lime-softening facility that generates lime sludge as a by-product of the lime softening process. The lime sludge consists primarily of calcium carbonate and magnesium hydroxide and is dewatered and stored in lagoons prior to disposal on agricultural ground as a soil conditioner. To continue to have adequate storage for the lime sludge, the lime sludge must be cleaned out of the lagoons annually.

On May 28, 2013, City Council awarded a contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa for the removal and disposal of lime sludge. The contract agreement calls for the removal of 28,000 wet tons of lime at a unit cost of \$10.99 per wet ton, four dust control applications at \$500 per application, and mobilization charges totaling \$6,500 for a total contract price of \$316,220. The contract is renewable annually for a total of five years, dependent on successful performance by the contractor each year. The contract unit prices are fixed for the entire five-year agreement.

The actual quantity of lime to be removed varies from year to year, based in large part on the water demand and resulting rate of lime sludge production. During the third year of the contract, the quantity to be removed was increased in order to keep pace with sludge production. Work performed under contract for Year **Three (FY 15/16) has been completed to staff's satisfaction and in accordance with the contract requirements with no change orders. The total contract amount for Year Three, based on the actual tons disposed, is \$334,030.12. Staff recommends acceptance of the Year Three (FY 15/16) contract.**

Staff also recommends awarding the fourth year of the agreement to Wulfekuhle Injection and Pumping, Inc. Staff does not anticipate the need for increased lime sludge disposal this fiscal year, and recommends that the contract quantity be returned to 28,000 tons, in the original contract amount of \$316,220.

Lime Sludge Disposal	28,000 tons	@	\$10.99/ton	\$307,720
Mobilization	1	@	\$6,500 ea	6,500
Dust Control	4	@	\$500 ea	2,000
Total FY 16/17 Contract Award				\$316,220

The FY 16/17 operating budget includes \$349,000 for this work.

ALTERNATIVES:

1. a.) Accept completion of Year Three (FY 15/16) of the lime sludge disposal contract in the final dollar amount of \$334,030.12, and release the retainage in accordance with the contract documents.

b.) Award Year Four (FY 16/17) of the lime sludge disposal contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa in the amount of \$316,220.
2. Do not award the contract for FY 16/17 to Wulfekuhle Injection and Pumping, Inc. and direct staff to solicit new bids for removal and disposal of lime sludge.

MANAGER'S RECOMMENDED ACTION:

Wulfekuhle Injection and Pumping, Inc. has completed Year Three (FY 15/16) of the lime sludge disposal contract to staff's satisfaction and in accordance with the contract requirements. It is appropriate to exercise the option to enter into Year Four of the agreement.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.