

COUNCIL ACTION FORM

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

BACKGROUND:

On April 22, 2014 Council awarded a contract to Waste Management of Ames for hauling and related services for the Resource Recovery Plant during FY 2014/15. This bid has four optional extension periods, contingent upon approval of funding by Council. The period from July 1, 2018, through June 30, 2019, will be the fourth and final optional extension period. The approved FY 2018/19 budget includes \$287,625 for this service.

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 contract is based on a per-mile per-ton bid amount and a round trip distance to the Boone County Landfill of 36 miles. 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 base bid price of \$0.3941 per mile per ton is adjustable for each extension period by up to 10% based on fuel costs, using the diesel fuel price index as determined by the IDOT on the March 1 preceding the renewal.

The original base bid price of \$0.3941 per mile per ton translated to \$14.19 per ton for a round trip to the Boone County Landfill, and the adjusted price for FY 2017/18 is \$13.52 per ton. Under the contract adjustment clause, the contract price for FY 2018/19 will decrease to \$0.3795 per mile per ton, decreasing the cost for a round trip to the Boone County Landfill to \$13.66 per ton.

The total cost of this contact is dependent on tonnage hauled. The budgeted amount will haul approximately 21,056 tons. If tonnage exceeds this amount, the budget will be amended at the appropriate time.

ALTERNATIVES:

1. Approve the renewal option for FY 2018/19 for the Resource Recovery Plant's hauling and related services contract to Waste Management of Ames in the amount of \$0.3795 per mile per ton.
2. Reject the renewal option and re-bid for hauling and related services.

CITY MANAGER'S RECOMMENDED ACTION:

Landfill hauling and related services are an important part of our 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.