

COUNCIL ACTION FORM

SUBJECT: WATER TREATMENT PLANT LIME SLUDGE DISPOSAL CONTRACT RENEWAL

BACKGROUND:

The City of Ames Water Treatment Plant (WTP) 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 which is dewatered and stored in lagoons prior to being recycled 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 8, 2018, 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 \$13.25 per wet ton, four dust control applications at \$1,000 per application, and mobilization charges totaling \$6,900, for a total contract price of \$381,900. 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.

Work performed under contract for FY 2021/22 was delayed due to rainy spring weather and the 13th Street improvements. **Because of those, the contractor was unable to access the lime ponds and/or haul to fields to remove the entire quantity under contract. A total of 6,554.55 tons were removed, at a total cost of \$86,847.79.** A change order has been prepared to deduct the remaining quantity (\$295,052.21) from the FY 2021/22 contract, after which the FY 2021/22 contract is ready to be accepted as complete.

In order to maintain the needed storage capacity in the lime storage lagoons, staff recommends moving the uncompleted quantity under the expiring contract to the contract for FY 2022/23. The FY 2022/23 operating budget includes \$381,900 for lime sludge disposal. **Staff recommends that the unspent funds from FY 2021/22 be carried over to FY 2022/23 and the fifth year of the agreement be awarded to Wulfekuhle Injection and Pumping Inc. in the amount of \$676,952.21.**

Lime Sludge Disposal	28,000 tons	@	\$13.25/ton	\$371,000.00
Mobilization	1	@	\$6,900 ea	6,900.00
Dust Control	4	@	\$1,000 ea	4,000.00
FY 21/22 Carryover	21,445.45 tons	@	\$13.25/ton	284,152.21
FY 21/22 Mobilization	1	@	\$6,900 ea	6,900.00
FY 21/22 Dust Control	4	@	\$1,000 ea	4,000.00
Total FY 22/23 Contract Award				\$676,952.21

The carryover of funds and increase of the contract amount for FY 2022/23 does not change the total dollar amount being committed to lime sludge disposal; it only changes the fiscal year that the funds already authorized are actually spent.

ALTERNATIVES:

1. a.) Approve a change order to the FY 2021/22 lime sludge disposal contract with Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa, in a deduct amount of \$295,052.21.

b.) Accept completion of the FY 2021/22 lime sludge disposal contract with Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa, in the final adjusted amount of \$86,847.79 and release retainage accordingly.

c.) Authorize the carry-over of \$295,052.21 of unspent funds that resulted from incomplete work in the FY 2021/22 operating budget to the FY 2022/23.

d.) Award Year Five (FY 2022/23) of the lime sludge disposal contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa, in the amount of \$676,952.21.
2. Do not accept completion of the FY 2021/22 work at this time; and, do not award the contract for FY 2022/23 to Wulfekuhle Injection and Pumping, Inc. and direct staff to rebid the work.

CITY MANAGER'S RECOMMENDED ACTION:

Wulfekuhle Injection and Pumping, Inc. has completed the FY 2021/22 lime sludge disposal to the extent possible. The original bid included the option to extend the agreement for up to five years, on a year-to-year basis. Staff is satisfied with the performance of the contractor and is recommending that the fifth year be awarded.

Due to the smaller quantity of lime sludge removed in FY 2021/22, the unspent funds from that contract year are proposed to be carried forward and added to the FY 2022/23 contract, to ensure that sufficient space is made available in the lime storage lagoons.

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