

**COUNCIL ACTION FORM**

**SUBJECT: CHANGE ORDER NO. 3 -- ENGINEERING SERVICES FOR THE RDF STORAGE BIN REPAIR PROJECT**

**BACKGROUND:**

Refuse-Derived Fuel (RDF) is produced at the City's Resource Recovery Plant from municipal solid waste (MSW) collected from Ames and other communities in Story County, Iowa. After being processed at the Resource Recovery Plant, the RDF is pneumatically transported to the RDF Storage Bin where it is stored short-term until it is pneumatically transported to one of the two power plant's boilers, where it is co-fired with natural gas.

On November 28, 2017, the City Council awarded a contract to Sargent & Lundy, LLC, Chicago, Illinois, for engineering services for the repair of the RDF Storage Bin in an amount not-to-exceed \$52,096. This contract was to 1) provide engineering services to evaluate the condition and structural integrity of the RDF Storage Bin, and 2) to prepare certified plans and specifications (stamped by an engineer licensed in Iowa) to be issued by the City to prospective bidders for the repair of the RDF containment and structural components of the RDF Storage Bin to restore it to like-new condition.

Plans and specifications were assembled and sent out August 29, 2018. Two bids were received but the lowest bid was 215% of the original budget. After receiving feedback from the bidders as to why the bid amounts were so high, it was determined best to reject both bids, adjust the specification, and rebid the project in the future.

**CONTRACT HISTORY:**

Change Order No. 1 to this contract, in the amount of \$19,900, was approved by the City Council on March 6, 2018, for additional engineering services necessary to bid and repair the RDF Storage Bin. This change order was issued prior to the initial construction bid solicitation.

Change Order No. 2 to this contract, in the amount of \$33,700, was approved by the City Council on April 9, 2019, for additional engineering services to make revisions to the plans and specifications and rebid the project.

**THIS ACTION:**

**This proposed change order (Change Order No. 3), in the amount of \$64,000, is to incorporate changes that will lower the overall project cost but achieve the minimum needed repairs. This includes the following engineering services:**

1. Provide additional revisions to the bid drawings to capture RDF Bin features not currently shown on design drawings and support optimizations for construction. New design drawings will be provided as part of these changes and optimizations.
2. The previous bid period scope of work specification documents will be updated to be consistent with the new drawings.
3. An allowance of hours has been included for the preparation of as-built record drawings for the project.
4. Provide engineering support during the bid and construction phase of the project. This will include home office support with supplementary site visits as required. Travel costs have been included for these items.

**The total contract amount with this change order will be \$169,696.** The current, approved Capital Improvements Plan includes \$3,574,839 for repair of the RDF Storage Bin.

**ALTERNATIVES:**

1. Approve contract Change Order No. 3 with Sargent & Lundy, LLC, Chicago, IL, for additional engineering services for the RDF Storage Bin Repair Project in an amount not-to-exceed \$64,000.
2. Reject contract Change Order No. 3.

**CITY MANAGER'S RECOMMENDED ACTION:**

The RDF Storage Bin is a critical component in the City's waste-to-energy process. The Bin operates in challenging environmental conditions that necessitate repairs and modifications to extend the life of the structure and the equipment within it. This change order will provide for modifications to the plans and specifications for the RDF Storage Bin Repair Project that will allow the construction to be optimized.

Staff believes this investment in additional design work is worthwhile if it creates the opportunity to lower the construction costs, given the high previous construction bids received in 2019 and the expected increases in construction costs since that time.

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