

ITEM #: 14
DATE: 08-27-24
DEPT: W&PC

COUNCIL ACTION FORM

SUBJECT: PRELIMINARY APPROVAL OF PLANS AND SPECIFICATIONS AND NOTICE TO BIDDERS FOR FY 2022/23 STORY COUNTY EDGE OF FIELD PROJECT (REBID)

BACKGROUND:

The Water Pollution Control (WPC) Facility is being converted to implement nutrient removal treatment technology over a period of 20 years. **Separate from the work that will occur at the treatment plant, watershed-based improvements performed by the City can be “banked” as credit toward any future, more stringent nutrient reduction regulations imposed on the WPC Facility. In addition to the nutrient reduction benefits provided by these practices, they also provide a small measure of mitigation against both droughts and floods by holding water on the landscape longer.**

On February 24, 2021, staff executed a Memorandum of Understanding (MOU) with the Iowa Department of Natural Resources to allow these off-site nutrient reductions to be banked with the Iowa Nutrient Reduction Exchange. Over the past several years, staff has been developing a partnership with multiple entities to bundle together several Edge-of-Field (EOF) practices that can be bid as a single bid package. **This year's project will construct Edge of Field (EOF) practices in Story County, consisting of 6 saturated buffers and 10 bioreactors that will intercept and treat 18 agricultural tile outlets.** These practices allow for the natural removal of nitrogen from subsurface drainage before it enters a stream or other surface waters. Additional information about these practices is shown in the attachment.

On March 28, 2023 and August 8, 2023, City Council approved two separate agreements that outlined the funding arrangements and project management duties for the EOF project. The City of Ames is acting as the fiscal agent for the project and the Iowa Department of Agricultural and Land Stewardship (IDALS) and Story County/Story County Conservation are acting as funding agents for the project. **The funding for this project consists of 75% from IDALS and a 25% local match that is split equally between the City and Story County. The City's share of the project cost will come from the funds budgeted annually in the Watershed-Based Nutrient Reduction capital improvements project.**

A Notice to Bidders was issued at the June 11, 2024 City Council meeting and bids were opened on July 10. Only one bid was received, and it exceeded the engineer's opinion of probable construction cost by more than 40%. Council rejected the lone bid and directed staff to rebid the project with a longer construction window. It is anticipated that a longer construction window will generate more interest in the project and, therefore, will provide more competitive pricing. **The final design includes one additional tile line and a construction completion deadline that has been extended by eight months.** All landowners participating in the project have completed the necessary paperwork. Staff is ready to issue a Notice to Bidders to rebid the FY 2022/23 project. **The engineer's estimate of probable construction costs is \$269,095. The estimated cost for the City's share is \$33,637.**

ALTERNATIVES:

1. Approve the preliminary plans and specifications and issue a Notice to Bidders for the FY 2022/23 Story County Edge of Field Project, and establish September 25, 2024, as the bid due date and October 8, 2024, as the date of public hearing and award.
2. Do not approve the plans and specifications and a Notice to Bidders, thereby delaying the completion of this project.

CITY MANAGER'S RECOMMENDED ACTION:

The Ames Water Pollution Control Facility will be converted to implement nutrient removal treatment technology over a period of 20 years. To mitigate future investment beyond what is already planned for, watershed-based projects can be performed, and the resulting nutrient reduction credits can be banked. Following project completion, the City will register each of these practices and receive annual nutrient reduction credit for the lifespan of each practice. After previously receiving only a single bid that significantly exceeded the engineer's estimate, Council rejected the bid and directed staff to rebid the work with a longer construction window. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.