

ITEM #: 12
DATE: 02-25-25
DEPT: PW

COUNCIL ACTION FORM

SUBJECT: APPROVE CHANGE ORDER #2 FOR HAULING SERVICES TO THE BOONE COUNTY LANDFILL

BACKGROUND:

On May 14, 2024, City Council awarded a one-year contract extension to Waste Management of Ames (WMA) for hauling to Boone County Landfill and related services for the Resource Recovery Plant (RRP) during FY 2024/25 in the amount of \$19.50 per ton, up to a total of \$146,958.

This contract includes furnishing equipment and hauling of reject materials that cannot be processed into refuse derived fuel (RDF) from RRP to the Boone County Landfill. The approved FY 2024/25 budget includes \$146,958 for this work. Compared to prior years, this Purchase Order was based on a significant reduction in reject tonnage due to power plant reliability and restricted natural usage gas during the winter months. The current trend indicates that a higher amount of rejects tonnages will occur in FY 2024/25.

On February 14, 2025 Change Order #1 was approved by staff in the amount of \$37,522.05 for January and February 2025 reject tonnages from the RRP. Based on reject tonnages so far this year, staff estimates that up to \$95,123 may be needed for the remainder of the current fiscal year. **The adjusted FY 2024/25 budget presented to City Council includes \$260,500 for reject materials to be hauled to the Boone County Landfill.** If necessary, staff will include additional funding in the final FY 2024/25 Budget Amendments, which will be considered later this spring. Natural gas restrictions will end on April 1, 2025 which will allow for additional RDF to be utilized at the power plant.

Fiscal Year	Price Per Ton	Annual Cost	Annual Tonnage
FY 19-20	\$14.14	\$181,787.35	12,856
FY 20-21	\$14.63	\$200,381.91	13,697
FY 21-22	\$15.15	\$209,081.52	13,801
FY 22-23	\$15.68	\$215,097.67	13,718
FY 23-24	\$16.23	\$216,598.33	13,346
FY 24-25 (estimated)	\$19.50	\$279,603.05	14,339 (est)

ALTERNATIVES:

1. Approve Change Order #2 to Waste Management of Ames in the amount of \$19.50/ton, up to \$95,123.
2. Reject the change order.

CITY MANAGER'S RECOMMENDED ACTION:

Landfill hauling and related services are an integral part of RRP operations. This change order is based on an increase in reject tonnage projections due to more downtime at the Power Plant and natural gas restrictions. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.