

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 disposal 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 2018/19 was the first full year operating with the new water treatment plant. Plant staff has experienced many challenges with operation of a new facility, including the approach to discharging lime sludge to the lime ponds. The procedure at the previous facility allowed staff to continually flow lime sludge to the lagoon. With the new facility, the process is designed to only allow intermittent flow to the lime ponds.

This intermittent flow, in combination with the extreme winter conditions this past year, contributed to multiple frozen layers of lime sludge in the ponds. One of the lime ponds remained frozen into June and the contractor was unable to remove the entire quantity under contract. A total of 18,279.75 tons were removed. A change order has been prepared to deduct the remaining quantity of 9,720.25 tons from the FY 2018/19 contract, after which the FY 2018/19 contract is ready to be accepted as complete. City staff has discussed operational changes to mitigate the freezing of the lime lagoon in the future, allowing the entire quantity of lime sludge to be disposed.

In order to maintain the needed storage capacity, staff recommends moving the savings of \$128,793.30 from the uncompleted FY 2018/19 quantity to FY 2019/20. The FY 2019/20 operating budget includes \$381,900 for lime sludge disposal. Staff recommends awarding the second year of the agreement to Wulfekuhle Injection and Pumping Inc. in the amount of \$510,693.30.

Lime Sludge Disposal	28,000 tons	@	\$13.25/ton	\$371,000
FY 18/19 carryover	9,720.25 tons	@	\$13.25/ton	\$128,793.30
Mobilization	1	@	\$6,900 ea.	\$6,900
Dust Control	4	@	\$1,000 ea.	\$4,000
Total FY 2019/20 Contract Award				\$510,693.30

ALTERNATIVES:

1. a.) Approve a change order to the FY 2018/19 lime sludge disposal contract with Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa, in a deduct amount of \$128,793.30.
- b.) Accept completion of the FY 2018/19 lime sludge disposal contract with Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa, in the final adjusted amount of \$253,106.70 and release retainage accordingly.
- c.) Authorize the carry-over of \$128,793.30 of unspent funds that resulted from incomplete work in the FY 2018/19 operating budget to FY 2019/20.
- d.) Award Year Two (FY 2019/20) of the lime sludge disposal contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa, in the amount of \$510,693.30.
2. Do not accept completion of the FY 2018/19 work at this time; and, do not award the contract for FY 2019/20 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 2018/19 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 second year be awarded.

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