

**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 during FY19/20 is complete. A total of 34,931.74 tons were removed; the quantity includes 9,720.25 tons included in change order 1, which was the quantity carried over from FY 18/19. The totals for FY 19/20 are as follows.

Lime Sludge Disposal	25,211.49 tons	@	\$13.25/ton	\$334,052.24
FY 18/19 Carryover	9,720.25 tons	@	\$13.25/ton	\$128,793.31
Mobilization	1	@	\$6,900 ea	6,900
Dust Control	3	@	\$1,000 ea	3,000
<b>Total FY 19/20 Contract Award</b>				<b>\$472,745.55</b>

For comparison, the total authorized budget for FY 19/20 was \$510,693.30.

**In addition to accepting completion of the FY 2019/20 (Year 2) contract in the amount of \$472,745.55, staff is recommending awarding the third year of the agreement to Wulfekuhle Injection and Pumping Inc. in the amount of \$381,900.**

Lime Sludge Disposal	28,000 tons	@	\$13.25/ton	\$371,000
Mobilization	1	@	\$6,900 ea	6,900
Dust Control	4	@	\$1,000 ea	4,000
<b>Total FY 20/21 Contract Award</b>				<b>\$381,900</b>

The amount authorized in the FY 20/21 operating budget is \$381,900.

**ALTERNATIVES:**

1. a.) Accept completion of the FY 19/20 lime sludge disposal contract with Wulfekuhle Injection and Pumping Inc. of New Vienna, Iowa, in the amount of \$472,745.55 and release retainage accordingly.  
  
b.) Award Year Three (FY 20/21) of the lime sludge disposal contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa, in the amount of \$381,900.
2. Do not accept completion of the FY 19/20 work at this time; and, do not award the contract for FY 20/21 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 19/20 lime sludge disposal. 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 accepted as complete and the third year be awarded. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.