

COUNCIL ACTION FORM

SUBJECT: CONTRACT RENEWAL FOR RESOURCE RECOVERY HAULING TO BOONE COUNTY LANDFILL AND RELATED SERVICES

BACKGROUND:

On June 25, 2019, City Council awarded a contract to Waste Management of Ames (WMA) for hauling to Boone County Landfill and related services for the Resource Recovery Plant (RRP) during FY 2019/20. This bid has four optional renewal periods through June 30, 2024, contingent upon approval of funding by Council.

This contract includes furnishing equipment and hauling of materials that cannot be processed into refuse derived fuel (RDF) from RRP to the Boone County Landfill. The approved FY 2022/23 budget includes \$200,000 for this work. The contract is based on a per-mile, per-ton bid amount and a round trip distance of 36 miles per trip. There is a provision in the contract to allow longer hauls up to 120 miles round trip as well as a provision to cancel the contract if this type of service is no longer needed due to a change in disposal procedures.

The upcoming renewal period is from July 1, 2022, through June 30, 2023. The contract price is adjustable monthly throughout the contact period if diesel fuel is at or above \$5.00 per gallon or below \$2.00 per gallon. This is based on the published index for monthly diesel fuel prices for the Department of Energy's (DOE) "Weekly Retail On-Highway Diesel Prices" for the Midwest region on the first Monday of the month.

At the time of initial contract award in 2019, WMA was the single bidder at \$14.14/ton with a 3.5% increase each year. The FY 2022/23 price will be \$15.68/ton. At this rate, the annual cost is projected to be approximately \$200,000.

ALTERNATIVES:

1. Approve the renewal option for FY 2022/23 for hauling and related services for the Resource Recovery Plant to Waste Management of Ames at the base rate of \$15.68 per ton.
2. Reject the renewal option and re-bid for hauling and related services for the RRP.

CITY MANAGER'S RECOMMENDED ACTION:

Landfill hauling and related services are an integral part of RRP operations. The per-ton price for hauling is an acceptable increase and funding for these services is available in the Resource Recovery FY 2022/23 operating budget. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.**