

COUNCIL ACTION FORM

SUBJECT: NOTICE TO BIDDERS FOR THE WATER POLLUTION CONTROL FACILITY METHANE ENGINE GENERATOR REPLACEMENT PROJECT

BACKGROUND:

In 2017, City Council accepted staff's recommendation of replacing one of the methane engine generators with a dual fuel boiler; primarily to provide a backup heating system for the digesters, but also because of a potential decrease in maintenance costs. The installation of a new boiler also includes piping and control upgrades. Based on Council's direction, funds were designated in the Capital Improvements Plan to address the methane engine generators.

The City Council has previously awarded a contract for engineering services to Strand Associates, Inc. of Madison, Wisconsin, for design, bidding, and construction of the Water Pollution Control Facility (WPCF) Methane Engine Generator Replacement Project in a total amount not to exceed \$254,200. The final design is now complete and staff is ready to issue a notice to bidders.

The engineer's estimate of probable construction costs is \$1,250,000. The FY 18/19 budget includes \$1,515,000 for design and construction of the replacement of Methane Engine No. 1 with a boiler. **The currently authorized budget is sufficient to cover the engineering plus the estimated construction costs, but leaves only a very small contingency. In order to provide contingency funds, Staff intends to redirect \$325,000 in savings from the completed Structural Rehabilitation Project to this Methane Engine Generator Replacement Project during the early budget amendments.** Once these funds are redirected, the project budget and authorized funding would be as follows:

Project Budget

FY 18/19 CIP	\$ 1,515,000
Savings from Structural Rehabilitation	325,000
<hr/>	
Total Available Funding	\$ 1,840,000

Estimated Project Expenses

Engineering	
Design	\$ 165,000
Bidding and Construction	89,200
Construction Estimate	1,250,000
<u>Contingency (25% of construction)</u>	<u>312,500</u>
Total Estimated Expense	\$ 1,816,700

ALTERNATIVES:

1. Grant preliminary approval of the plans and specifications and issue a notice to bidders for the Methane Engine Generator Replacement Project, setting September 25, 2019 as the bid due date and October 8, 2019 as the date of public hearing.
2. Do not issue a notice to bidders at this time.

CITY MANAGER'S RECOMMENDED ACTION:

The Water Pollution Control Facility's original two methane engines are almost 30 years old. Replacement of this equipment is necessary to maintain the integrity of the treatment facility and to continue to burn methane that is generated by the treatment process. At a previous meeting, the City Council gave staff direction to move forward with replacing one of the original methane engines with a dual fuel boiler. Staff has reviewed the design of this project and obtained a construction permit from the IDNR to perform the work. The next step for this project is to solicit bids. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.