

COUNCIL ACTION FORM

SUBJECT: WATER POLLUTION CONTROL FACILITY METHANE ENGINE GENERATOR REPLACEMENT PROJECT

BACKGROUND:

The Water Pollution Control Facility utilizes internal combustion generators to combust the methane produced by the wastewater treatment process. This process produces electricity, which reduces the energy that must be purchased from the electric utility to operate the facility.

In 2017, City Council accepted staff's recommendation to replace 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.

On August 27, 2019, Council issued a notice to bidders. Bids were opened on September 25, 2019. Four responsive bids were received.

Bidder	Total project bid
<i>Engineer's Estimate</i>	\$1,250,000
The Waldinger Corporation	\$1,554,270
Shank Constructors, Inc.	\$1,626,900
Baker Group	\$1,653,000
Tri-City Electric Co. of Iowa	\$1,718,900
Global Water Technology	Non responsive

The Waldinger Corporation is the lowest responsible bidder. Even though the bids are higher than the engineer's estimate, having four bids grouped within 10% of each other is an indication that the price received was competitive and reflects the true cost of the work.

The Fall 2019 amendments to the FY 2019/20 CIP provide for a total of \$1,840,000 for design and construction of the replacement of Methane Engine No. 1 with a boiler. **To provide a reasonable contingency, staff intends to move an additional \$124,000 in savings from the Primary Clarifier Drive Replacement Project into this project.** These funds will be moved as a part of the mid-year budget amendments. Once these funds are redirected, the project budget and authorized funding would be as follows:

Authorized Funding

Budgeted in FY 2018/19 CIP	\$ 1,515,000
Savings from Structural Rehab (<i>reallocated in Fall amendments</i>)	\$ 325,000
<u>Savings from Primary Clarifier Drive Replacement Project</u>	<u>\$ 124,000</u>
Total Available Funding	\$ 1,964,000

Revised Project Expenses

Engineering	
Design	\$ 165,000
Bidding and Construction	89,200
Construction Cost	1,554,270
<u>Contingency (10% of construction)</u>	<u>\$ 155,000</u>
Total Estimated Expense	\$ 1,963,470

ALTERNATIVES:

1. Award the Methane Engine Generator Replacement Project at the City's Water Pollution Control Facility to The Waldinger Corporation of Des Moines, IA, in the amount of \$1,554,270.
2. Do not award a contract at this time.

CITY MANAGER'S RECOMMENDED ACTION:

The replacement of a methane engine generator has been identified in the Capital Improvements Plan, and replacing the engine will improve the operational reliability of the Water Pollution Control Facility.

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