

CITY OF PALMER ACTION MEMORANDUM No. 09-052

SUBJECT: Authorize the City Manager to Award and Execute a Contract for the Wastewater Treatment Plant Lagoon Cover to Lemna Technologies, Inc. in the Amount of \$662,000

AGENDA OF: December 8, 2009

Council action: Authorized

Approved for presentation by B. B. Allen, City Manager *B. B. Allen*

Route To:	Department/Individual:	Initials/Date:	Remarks:
X	Originator – Public Works	<i>CKL</i>	
X	City Clerk	<i>JOS</i> 12/2/09	
X	City Attorney	<i>[Signature]</i> 12/2/09	
X	Director of Administration	<i>[Signature]</i>	
	Director of Community Development		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

Attachment(s):

Certification of Funds:

	No fiscal impact.	
X	Funds are budgeted from this account number: \$662,000	24-01-21-6620
	Funds are not budgeted. Budget modification is required. Affected account number:	

Director of Administration Signature: *[Signature]*

Summary statement: On November 27, 2009, the city received one bids for the wastewater treatment plant lagoon cover. Fifteen companies requested bid packets.

The bid is to purchase an insulated floating cover for lagoon one at the wastewater treatment plant. The bid also includes freight and technical services for the installation of the cover. The bid results are as follows:

Bid Schedule – Lemna Technologies, Inc.				
ITEM	ESTIMATED QUANTITY	DESCRIPTION	UNIT BID PRICE	TOTAL BID PRICE
1	142,625 sq. ft.	Floating Insulated R 14 Cover	Per Sq. Ft. \$4,375	\$623,985
2	Lump Sum 1	Floating Baffle System	L/S \$11,765	\$11,765
3	21 Days	Site Supervision for the Installation of the Cover	Per Day \$1,250	\$26,250

The lowest acceptable bid is from Lemna Technologies, Inc. for the amount of \$662,000.00

The manufacture will provide materials, freight to Palmer’s Wastewater Treatment Plant and supply the technical installation labor to assist Palmer’s work force in completing the installation. Once the material arrives in Palmer, it is anticipated the installation will take approximately two weeks, with an additional week of modifications before the project is done. Once the installation is completed, the manufacturer will provide the City with a five year warranty of the materials and provide a certificate of proper installation.

The project was previously bid using the Design/Build delivery method to meet the City’s specific goals. No responsive bids were received from private sector contractors. The private sector response to the project left the City with little option but to proceed with a force account project working with the manufacture to install the insulated cover. In discussion with the manufacturers after the bid, it was clear that no contractors from Alaska had installed any covers like this. The manufacturer suggested that the City do as other Municipalities have done, installing the insulated cover under the direct supervision of the manufacturer.

The manufactures representatives have installed projects in the same manner as the City proposes to use. Since the facility must stay in operation during the installation period, the manufacture prefers to work directly with the owners of the facility. This is another reason the previous solicitation was unsuccessful; the contractor risk was too high. There are not any covers currently installed in Alaska, so there is no experienced installer of this type of system. There are many installations in the cold climates around the country, including Minnesota with temperatures below zero such as in Alaska. The results in these colder climates are achieving the results the City hopes to achieve in Palmer.

The manufacture will work directly with city crews in the installation of the insulated cover. The cover will be installed on the lagoon as soon as possible; this will help reactivate the already dormant pond due to freezing temperatures. It is expected that once the insulated cover is installed over the pond with the new floating baffle system, the pond temperature will increase and therefore reactivate the treatment. This will also allow city employees to have important temperature data for future evaluations and project planning. There may need to be some additional modification to the air system to accommodate the new cover, which will be evaluated after the insulated cover, is installed.

Upon approval of this action memorandum, a formal Notice to Proceed will be issued to the supplier for the insulated cover. All aspects of the installation should be complete by May 30, 2010. This date will allow the City to collect the necessary data and show the results of the

installation and show compliance with EPA standards by the 2011 deadline at the current flow rates. The plant can easily be modified for any future upgrades. After the project is completed and the results known, during the summer of 2010 some additional piping will be installed so that lagoon #3 can be drained and taken off line. By doing this the plant site can be prepped for future planning and expansion when necessary.

Preliminary estimated costs for entire project are as follows:

\$	171,250.00	Environmental Assessment WWTP	(previously funded by Council)
\$	662,000.00	Cover Material	
\$	250,000.00	Installation Costs	
\$	400,000.00	Blower modifications	
\$	600,000.00	Filtration Improvements	
\$	260,406.25	Admin fees	
\$	<u>156,343.75</u>	Contingency	
\$	2,500,000.00	Total – ARRA Funds	

This project is funded by the Alaska Department of Environmental Conservation (ADEC) Alaska Clean Water Fund (ACWF) no. 671161 for Wastewater Treatment Plant Improvements, Phase I and is 100 percent funded.

Administration recommendation: Approve action memorandum 09-052.