

ITEM #:	<u>30</u>
DATE:	<u>04-23-24</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

SUBJECT: FUEL OIL TANK REMOVAL AT THE COAL YARD

BACKGROUND:

Adjacent to the City's Power Plant, located on the West side of the existing coal yard, are two 42,000-gallon underground tanks that previously stored #2 fuel oil for Units 7 and 8. These tanks were installed during the construction of Unit #8 in 1982 and since the Power Plant converted to natural gas in 2016, the fuel tanks are no longer needed. Leak testing has been regularly performed and the most recent test completed in 2023, indicated that there are no signs of leakage. **Because the tanks are no longer used and the age of these tanks being over 40 years, the tanks should be removed.** Plans and specifications for the removal of the tanks and associated pumps and piping were developed and issued for bid.

On February 26, 2024, an Invitation to Bid (ITB) document was posted on AmesBids by the City's Purchasing division. On March 18, 2024, seven bids were received:

BIDDER	TOTAL AMOUNT
J. Pettiecord Inc., Bondurant, IA	\$110,600.00
Unified Contracting Services, Inc., Des Moines, IA	\$119,000.00
Midwest Liquid Systems, Eldora, IA	\$127,507.51
RK Demolition, Slater, IA	\$147,000.00
Seneca Companies Inc., Des Moines, IA	\$160,427.29
EcoSource, LLC, Des Moines, IA	\$162,110.00
Earth Services & Abatement, Des Moines, IA	\$171,765.00

Staff reviewed bids and has determined that the low bid from J. Pettiecord Inc. of Bondurant, IA, is acceptable. J. Pettiecord is not licensed to collect or remit Iowa sales tax. City of Ames will pay sales tax directly to the state of Iowa. The FY23/24 CIP budget includes \$250,000 to remove the tanks and all associated equipment.

ALTERNATIVES:

1. Award a contract to J. Pettiecord Inc., of Bondurant, IA, for the Fuel Oil Tank Removal at the Coal Yard, in the amount of \$110,600.
2. Award a contract to one of the other bidders.
3. Reject bids and direct staff to rebid.

CITY MANAGER'S RECOMMENDED ACTION:

Since the tanks are no longer in service, it is good practice to remove them before any issues develop. The project is planned in the revised FY 2023/24 CIP. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.