



## Legislation Text

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**File #:** 08-0626, **Version:** 1

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Resolution to Approve the Purchase of High Calcium Quicklime from Huron Lime, Inc. for the Wastewater Treatment Plant, Bid No. ITB-3950 (\$261,660.00 - estimated for FY09)

Your approval is requested to authorize the purchase of high calcium quicklime from Huron Lime, Inc. for the City's Wastewater Treatment Plant (WWTP), at an estimated cost of \$261,660.00 for FY09. The WWTP uses high calcium quicklime to stabilize biosolids for beneficial reuse by land application or disposal in a landfill.

The current quicklime purchase agreement with Huron Lime, Inc. terminates on July 16, 2008. This agreement provided for two one-year extensions under its original terms and conditions. Huron Lime, Inc.'s decision not to extend the purchase agreement appears to be based on added expenses due to increased fuel costs. Although a fuel surcharge mechanism was not included in the current purchase agreement or Bid No. IBT-3950, one-year purchase agreements with the option of a renewal will self adjust through the rebidding process. This aids the City and vendors in reaching an agreement that appropriately reflects vendor costs and City expenditures.

The following suppliers submitted bids in response to Bid No. ITB-3950:

Carmeuse, Inc.(Beachville, Ontario)	\$163.60/ton + \$18.00/ton during seasonal load restrictions
Carmeuse, Inc.(River Rouge, MI)	\$128.06/ton + \$18.00/ton during seasonal load restrictions
Mississippi Lime	\$160.00/ton delivered
Huron Lime, Inc.	\$124.60/ton delivered
Western Lime Corp	\$124.00/ton + \$28.00/ton during seasonal load restrictions

As indicated in the bid summary, some suppliers include an additional unit cost during the springtime seasonal load restrictions placed on roads. These suppliers deliver smaller quantities of quicklime to comply with the load restrictions and consequently make more deliveries than when they are not in place. The other suppliers do not include an additional cost because their bids are based on year-round deliveries at quantities that comply with the seasonal load restrictions. The period for seasonal load restrictions varies, based on climate and soil conditions. Typically, this period is about two to four weeks.

Western Lime Corporation bid the delivery of quicklime at a slightly lower unit cost than Huron Lime, Inc., but included an additional cost of \$28.00 per ton during the seasonal load restriction period. WWTP staff estimates the usage of quicklime during this period in the range of 100 to 200 tons. Based on this analysis, Huron Lime, Inc. provides a total cost savings in the range of \$2,740.00 to \$5,480.00 over Western Lime Corporation. The total cost for Huron Lime, Inc. to supply high calcium quicklime to the WWTP for FY09 is estimated to be \$261,660.00 on the basis of 2,100 tons of annual usage. The bid from Huron Lime, Inc. represents an increase in unit cost of approximately 7%, which is consistent with the anticipated cost increase assumed by WWTP staff during development of the FY09 budget.

WWTP staff recommends Huron Lime, Inc. be approved as the lowest responsible bidder to supply high calcium quicklime to the WWTP for FY09. Additionally, you are requested to approve the extension of the agreement for up to two additional years at no increase in cost, if Huron Lime, Inc. and the City Administrator agree. Approval for FY10 and FY11 is subject to the availability of funding.

Huron Lime, Inc. received Contract Compliance approval from Human Resources on June 4, 2008. Huron Lime, Inc. is providing a commodity and does not need Living Wage Compliance.

Funds to finance this purchase are included in the approved FY09 WWTP Operation and Maintenance budget for the Sewage Disposal System.

Prepared by: Ronald A. Rees, Assistant Manager, WWT Services

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City's Wastewater Treatment Plant (WWTP) uses high calcium quicklime to stabilize biosolids for beneficial reuse by land application or disposal in a landfill;

Whereas, WWTP staff evaluated bids received in response to Bid No. ITB-3950 and found that Huron Lime, Inc. provides a total cost savings to the City over the other bidders;

Whereas, Huron Lime, Inc. received Contract Compliance approval from Human Resources on June 4, 2008, and Huron Lime, Inc. does not need Living Wage Compliance because it is providing a commodity; and

Whereas, An increase in cost was anticipated and sufficient funds have been budgeted to cover this cost increase in the approved FY09 WWTP Operation and Maintenance budget for the Sewage Disposal System for the purchase of high calcium quicklime for the WWTP;

RESOLVED, That City Council approve Huron Lime, Inc. as the lowest responsible bidder for the purchase of high calcium quicklime at the WWTP and approve a purchase order in accordance with the terms of Bid No. ITB-3950;

RESOLVED, That the City Administrator be directed to approve a purchase order with Huron Lime, Inc. for purchase of high calcium quicklime in accordance with this resolution at \$124.60/ton and with a projected cost of approximately \$261,660.00 for FY09;

RESOLVED, That the City Administrator be directed to accept the next lowest responsible bidder if Huron Lime, Inc. is unable to furnish adequate supplies;

RESOLVED, That the City Administrator be authorized to renew the agreement for up to two one-year periods provided both parties agree to an extension and subject to the availability of funding; and

RESOLVED, The the City Administrator be authorized to take all necessary actions to implement this resolution.