

COUNCIL ACTION FORM

SUBJECT: **PEBBLE LIME PURCHASE FOR WATER TREATMENT**

BACKGROUND:

Pebble lime is used in the Water Treatment Plant's process to remove water hardness. Almost 3,000 tons are used annually, and it is the largest chemical cost for the Water Plant.

The contract period for this purchase starts on July 1, 2016 and continues through June 30, 2017. On April 23, 2015, bids were received for fiscal year 2015/16 with an optional extension for fiscal year 2016/17.

BIDDER	FY 15-16 Pricing (Current Year)		FY 16-17 Pricing (Renewal Year)	
	Price Per Ton	Estimated Total Cost	Price Per Ton	Estimated Total Cost
Graymont Western Lime Inc. West Bend, WI	\$148.00	\$429,200	\$154.00	\$446,600
Mississippi Lime Company St. Louis, MO	\$202.40	\$586,960	\$212.40	\$615,960
Lhoist North America of Missouri, Inc. St. Genevieve, MO	\$251.00	\$729,350	No bid	

The total estimated cost shown above is based on a quantity of 2,900 tons per 12-month period. The actual quantity purchased will depend on water demand in the coming year. The quantity included in the bid proposal form is larger than the actual quantity projected to be needed in the coming year to ensure that the bid pricing covers the largest quantity that may possibly be needed. The FY 2016/17 operating budget estimates an actual usage of 2,509 tons at \$154.00 per ton for a total of \$386,386.

ALTERNATIVES:

- 1) Award a contract for the purchase of pebble lime to Graymont Western Lime Inc. of West Bend, WI at \$154.00 per ton for FY 2016/17.
- 2) Reject all bids and attempt to obtain the required services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

The current year contract with Graymont Western Lime Inc. includes a provision for an optional one-year extension. Graymont has demonstrated the ability to dependably provide this product at a competitive rate.

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