

ITEM #: 32
DATE: 06-13-23
DEPT: W&PC

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT FOR WATER TREATMENT PLANT LIME SLUDGE DISPOSAL OPERATIONS

BACKGROUND:

The Water Plant generates approximately 24,000 wet tons of lime sludge each year. It is a byproduct of the softening process and is discharged into storage lagoons located west of the plant. To continue to have adequate lime sludge storage, the storage lagoons are cleaned out annually. Once removed from the storage lagoons, the lime sludge, which consists of calcium carbonate and magnesium hydroxide, is applied to agricultural land as a soil conditioner. The material adjusts the soil pH, which increases fertilizer; thus, it reduced the amount of fertilizer that needs to be applied. For the past 30 years, the Water Plant has used land application as the primary disposal method.

The current contract for cleaning out the lagoons and disposing of the lime sludge will end on June 30, 2023. Staff desires to have a new lime sludge disposal contract in place by July 1, 2023, to ensure that adequate lime sludge storage remains available.

A Request for Proposals (RFP) was issued on April 25, 2023. The RFP establishes an initial contract period from July 1, 2023, through June 30, 2024, and includes the option for four (4) annually renewable 12-month renewal periods. On May 23, 2023, the City received the following two proposals:

Bidder	FY2023/24 Contract Cost
Wulfekuhle Injection & Pumping Inc. Peosta, IA	\$392,140
Synagro Central, LLC Baltimore, MD	\$579,963

The FY 2023/24 operating budget includes \$485,900 for disposal of lime sludge. Staff had anticipated a significant cost increase when the contract was renewed and budgeted for a 27% cost increase. This was primarily because fuel prices were rising at the time, and the cost of fuel is a significant component in the overall price. With fuel prices declining after the budget was finalized, the actual cost increase compared to the current year is only 2.7%, which is significantly under the adopted budget.

ALTERNATIVES:

1. Award a contract to Wulfekuhle Injection and Pumping Inc. of Peosta, IA, for Year One of a five-year contract in the amount of \$392,140.

Award for the four renewal years will be brought to Council annually and will be subject to the contractor's acceptable ongoing performance, the proposed cost increase, and the annual allocation of sufficient funds.

2. Reject bids and direct staff to solicit new bids for lime sludge disposal.
3. Reject bids and direct staff to pursue landfilling of the lime sludge in lieu of land application.

CITY MANAGER'S RECOMMENDED ACTION:

The current contract to dispose of lime sludge at the Water Plant will expire on June 30, 2023. It is in the City's best interest to continue lime sludge disposal operations to ensure that adequate lime sludge storage is available. Proposals were solicited using the City's adopted procedures. The lowest bidder has performed this work for multiple contract cycles, and its proposal is within the adopted budget. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.