

COUNCIL ACTION FORM

SUBJECT: PEBBLE LIME PURCHASE FOR WATER TREATMENT

BACKGROUND:

Pebble lime is used in the water treatment 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 for pebble lime is bid for the current year plus an optional extension period for the next year. On May 10, 2011, bids were received for fiscal year 2012.

BIDDER	July 1, 2011 - June 30, 2012		Optional Extension 7/1/12-6/30/13	
	Price Per Ton	Estimated Total Cost	Price Per Ton	Estimated Total Cost
Linwood Mining & Minerals Corp., Davenport, IA	\$120.00	\$348,600	No bid	
Western Lime Corporation West Bend, WI	\$133.00	\$385,700	\$138.00	\$400,200
Mississippi Lime Company St. Louis, MO	\$176.70	\$512,430	No bid	
Graymont (WI) LLC Superior, WI	\$195.00	\$565,500	No bid	
Carmeuse Lime, Inc. Pittsburgh, PA	\$200.40	\$581,160	No bid	
Chemical Lime Company Ste. Genevieve, MO	\$219.34	\$636,086	No bid	

Approximately 10 years ago, the Water Plant contracted with Linwood Mining & Minerals. At that time, the quality of lime was inconsistent, and the lime frequently would contain an unacceptable amount of metallic debris. The purity of the lime was low, which required a larger amount of lime to be purchased to make up for the impurities. This meant our lime costs were higher than they should have been. It also increased the amount of staff time required to manage the lime system in the Water Plant. The quality of lime was so poor that the contract had to be cancelled.

Western Lime was awarded the contract last year and was the only company to offer a price for the optional extension period of July 1, 2012 through June 30, 2013.

The total estimated cost in the table above is for an estimated quantity of 2,900 tons per 12-month period. Actual usage will depend on water quality and consumption. The 2012/13 operating budget includes \$397,440 for lime.

ALTERNATIVES:

- 1) Award a contract for the purchase of pebble lime to Western Lime Corporation of West Bend, WI. The contract provides lime at \$138.00 per ton for FY 2012/13.
- 2) Seek competitive bids for the purchase of pebble lime.
- 3) Reject Western Lime Corporation's bid and attempt to obtain the required lime on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

Acquiring an adequate supply of pebble lime is essential for the established water softening process at the City's Water Treatment Plant. Western Lime Corporation has demonstrated the ability to dependably provide this product at a competitive rate. The rate already bid for FY 2012/13 is significantly lower than the other bidders' rates for FY 2011/12.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract for the purchase of FY 2012/13 pebble lime requirements to Western Lime Corporation of West Bend, WI in the amount of \$138.00 per ton.