

ITEM #: 32
DATE: 05-14-24
DEPT: W&PC

COUNCIL ACTION FORM

SUBJECT: **FY 2024/25 PEBBLE LIME PURCHASE FOR WATER TREATMENT**

BACKGROUND:

Pebble lime is used in the water treatment process to remove water hardness. Approximately 2,900 tons are used annually, and it is the largest chemical cost for the Water Plant. On June 30, the City's existing contract for a supply of lime will expire.

The expiring contract did not include a provision for a renewal, so the contract has been rebid. The invitation to bid contained an option for an extension into FY 2025/26. On May 8, 2023, bids were received as follows:

Bidder	7/1/2024 - 6/30/2025 Price Per Ton	Optional Extension 7/1/2025 - 6/30/2026
Graymont Western Lime Inc West Bend, WI	\$252.00	\$267.00
Mississippi Lime Company St Louis, MO	\$257.81	No Bid
Lhoist North America of Mississippi St. Genevieve, MO	\$635.15	No Bid

The bid specifications required that the product to be supplied must contain at a minimum 92% effective calcium oxide. The information provided by Graymont showed its product to be 91.5%, which is non-responsive to the bid requirements. The information provided by Mississippi Lime showed an effective calcium oxide concentration of 95.4%, which fully meets the specifications.

The Graymont Western Lime product does not meet the bid specification and is non-responsive. Additionally, the Mississippi Lime product is more cost effective, since it would require 4% less tons to be used to achieve the same calcium oxide content in the water, despite being only 2.3% more expensive. Therefore, staff is recommending award of a contract to Mississippi Lime.

Prior to determining that Graymont's bid did not meet specifications, Staff completed a side-by-side comparison of the lime quality between Graymont and Mississippi. Staff found that the product provided by Mississippi had a higher effective calcium oxide content (approximately 4% higher) and generated less grit. Additionally, the plant operators reported experiencing no problems in maintaining a stable process using the Mississippi product. Based on the difference in calcium oxide content, staff has determined that Mississippi Lime is likely to provide an overall lower cost for lime compared to Graymont.

The recommended bid price of \$257.81 per ton for FY 2024/25 represents an 11.1% increase in the unit price over the current contract price of \$232 per ton. Mississippi's extended bid price of \$257.81 per ton times an estimated 3,000 tons gives a projected annual cost of \$773,430, which is below the FY 2024/25 adopted budget of \$817,344 for this product.

ALTERNATIVES:

1. Award a contract for the purchase of pebble lime in FY 2024/25 to Mississippi Lime Company of St. Louis, MO in a unit price of \$257.81 per ton.
2. Determine that another bid is in the best interest of the City and award to that bidder.
3. Reject all bids and attempt to obtain the required supplies on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

An adequate supply of pebble lime is essential for the established water softening process at the Water Treatment Plant. The product that would be provided by the lowest bidder does not meet the specifications and has been deemed non responsive. Additionally, Mississippi Lime Company has demonstrated an ability to provide a product with a higher calcium oxide content than the lowest (non responsive) unit price bidder. Staff believes the difference is enough that the total overall cost to purchase lime would be lowest with the product from Mississippi Lime Company. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.