



AGENDA ITEM FORM

SUBJECT: 2017 Water Treatment Chemicals – Authorize Execution of Lime Contract

SUMMARY:

- In November 2016, contracts were awarded for all treatment chemicals with the exception of lime (Fleur and McMullen) and antiscalant (Saylorville). Staff advised that testing and analysis of different products would occur during quarter one of 2017.
- Summary of the two lime bids that were received is given below for both of our softening treatment plants. Prices shown are for bottom drop truck delivery. Prices were also provided by potential suppliers for pneumatic delivery, but pneumatic delivery is only done during emergency situations. Bid analysis was completed based upon bottom drop delivery pricing.

Vendor	Fleur & McMullen (\$/Ton)	Fleur (\$/Ton)	McMullen (\$/Ton)
Mississippi Lime Company	\$149	\$164.95	\$164.95
Linwood Mining & Minerals Corporation	No Bid	\$135	No Bid

- There are effectively two options for consideration. One is to allow Mississippi to provide both plants at \$149/ton. The second is to supply Fleur with Linwood at \$135/ton and to supply McMullen with Mississippi at \$164.95/ton. Analysis of those two options is summarized below and it takes into account the different volumes of water to be treated at each plant, the purity difference between the two products (Mississippi @ 95%; Linwood @ 85%), and the costs to remove inert materials from the each product via our lime sludge dewatering process at the Fleur Plant.

		2017 Lime Bid Analysis				
Fleur Pumpage (MG)	9,745					
McMullen Pumpage (MG)	4,800					
Options	Bidder	Price/Ton	Dosage(mg/L)	Pounds/Year	Tons/Year	Cost/Year
Option #1 Linwood & Mississippi	Linwood @ FDWTP	\$135.00	275	22,350,158	11,175	\$1,508,625.00
	Mississippi @ MWTP	\$164.95	205	8,206,560	4,103	\$676,789.85
	FDWTP - Sludge (Inerts)	\$19.62			3,353	\$65,785.86
	Total Option #1					
	Bidder	Price/Ton	Dosage(mg/L)	Pounds/Year	Tons/Year	Cost/Year
Option #2 Mississippi @ Both Plants 10% Purity Difference Applied	Mississippi @ FDWTP	\$149.00	246	19,993,232	9,997	\$1,489,553.00
	Mississippi @ MWTP	\$149.00	205	8,206,560	4,103	\$611,347.00
	FDWTP - Sludge (Inerts)	\$19.62			1,000	\$19,620.00
	Total Option #2					

- Staff recommends award of the 2017 Lime contract for both the Fleur Drive and McMullen Water Treatment Plants to Mississippi Lime Company.
- There are additional benefits associated with the use of Mississippi product at the Fleur Plant that involve reduced maintenance expenses and enhanced water treatment plant operations. Water Production staff will continue to make observations and measurements throughout the remainder of 2017 to better understand these elements.

FISCAL IMPACT:

The 2017 budget for Water Treatment Chemicals project will provide the funds for the estimated annual cost of \$2,100,900.00 (\$2,120,520.00 in total less \$19,620.00 for the inert removal).

RECOMMENDED ACTION:

Approve Mississippi Lime Company as the 2017 lime supplier in the amount of \$2,100,900.00.

BOARD REQUIRED ACTION:

Motion to approve Mississippi Lime Company as the 2017 lime supplier.

_____/_____ Julia Johnston (date) Purchasing/Central Stores Supervisor	_____/_____ Michael J. McCurnin, P.E. (date) Director of Water Production	_____/_____ William G. Stowe (date) CEO and General Manager
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