

Originator Purchasing	Item Quicklime Extension and Price Adjustment - Approval Requested
Agenda Section	Date 11/17/2014

Description

Council is requested to approve a one-year extension of the contract with Graymont (WI), LLC for the purchase of quicklime for use at the Bloomington Water Treatment Plant through December 31, 2015. This contract was awarded by Council on December 17, 2012 and may be extended for two additional one year periods. Council approved a one year extension through December 31, 2014 on November 4, 2013.

Under the terms of the contract, the Contractor may request an increase in the unit cost should they be able to document an increase in their direct costs to provide the product. Graymont has requested a 5.3% cost increase due to the significant increases in their raw materials, freight and fuel costs. The unit price of \$118.10 per ton for the quicklime material would increase to \$125.00 per ton. Graymont is also asking for an increase in the base freight cost from \$28.15 to \$29.00 per ton. The fixed cost per ton (material and freight), would increase from \$146.25 to \$154.00 per ton.

Graymont's request has been reviewed by Utilities/Water Plant staff and determined it to be reasonable. Funding for this contract is budgeted annually in the Water Utility Operations Budget, Activity 8111. Annual usage is approximately 3600 tons. Bloomington's expenditures in 2013 were \$503,605.28 and 2014 to-date is \$453,986.48.

Requested Action

Approve extension of the contract with Graymont (WI) LLC for the purchase of quicklime at a fixed cost of \$154.00 per ton for an additional one-year period through December 31, 2015.

Attachments: