



City of Grand Island

Tuesday, June 14, 2022

Council Session

Item G-6

**#2022-154 - Approving the Supply and Delivery of Pebble Lime
2022-2025**

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy G. Luchsinger, Utilities Director
Stacy Nonhof, Interim City Attorney

Meeting: June 14, 2022

Subject: Supply and Delivery of Pebble Lime to the Platte
Generating Station September 2022-2025

Presenter(s): Timothy G. Luchsinger, Utilities Director

Background

The Mercury and Air Toxics Standard regulation compliance at Platte Generating Station was commissioned in 2014. The spray dry absorber system is used to inject a lime slurry into the boiler exhaust gas to remove acid gases from the flue gas. The gas leaving the spray dry absorber system will flow to a baghouse for particulate removal and a booster fan follows the baghouse to return the flue gas to the existing stack.

Pebble lime is used to produce the required lime slurry. The pebble lime material must meet design specifications in order to produce a consistent lime slurry that allows the plant to meet performance guarantees.

Plant staff developed a Request for Proposal for the purchase of pebble lime from suppliers of this material in 2019. Proposals from the following firms were received on August 14, 2019:

Company

Mississippi Lime, St. Louis, MO
Pete Lien & Sons, Inc., Rapid City, SD
Lhoist North America, Genevieve, MO
Graymont Western Lime, Inc., West Bend, WI

Pete Lien & Sons was awarded the multi-term contract through September 2022 at the City Council Meeting on August 27, 2019.

Discussion

Pete Lien & Sons has offered current pricing for a multi-year contract through September 2025. In review of the 2019 proposed procurement period the bidder has an option to

provide extensions or longer procurement periods considered at the sole discretion of the City.

The department evaluated current pricing through 2025 using the 2019 Request for Proposal financial evaluation. Primary evaluations are on the basis of cost and suitability of the product meeting the system requirements. Review considerations included quality control, company experience, strength of production supply chain, proposal responsiveness, transportation provisions, availability of technical support, commercial terms, and flexibility in procurement quantities.

Pete Lien & Sons current price through September 2025 compared with the alternate bids from the original proposals is still the lowest total cost and best overall proposal that satisfied all requirements of the Request for Proposal specifications. Staff therefore recommends entering the multi-term contract with Pete Lien & Sons through 2025. A copy of the Bid Tabulations is attached for reference.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve.
2. Refer the issue to a Committee.
3. Postpone the issue to future date.
4. Take no action on the issue.

Recommendation

City Administration recommends that the Council award the Supply and Delivery of Pebble Lime for 2022-2025 to Pete Lien & Sons, Inc., Rapid City, South Dakota.

Sample Motion

Move to approve the proposal from Pete Lien & Sons, Inc, Rapid City, South Dakota, for the Supply and Delivery of Pebble Lime 2022-2025 to the Platte Generating Station.

Confidential Pebble Lime Supply Bid Tabulation
 ALL INFORMATION INCLUDED HEREIN IS PROPRIETARY AND CONFIDENTIAL

	2022-2023	2024	2025	2019-2020	2021	2022	2019-2020	2021	2022	2019-2020	2021	2022	2019-2020	2021	2022	2019-2020	2021	2022
	Pete Lien & Sons		Mississippi Lime	Mississippi Lime	Mississippi Lime		Graymont	Graymont	Graymont		Lhoist	Lhoist	Lhoist					
Source	Laramie, WY		Ste. Genevieve, Mo	Ste. Genevieve, Mo	Ste. Genevieve, Mo						Ste. Genevieve, Mo	Ste. Genevieve, Mo	Ste. Genevieve, Mo					
Product	Lime	Lime	Lime	Lime	Lime	Lime		Lime	Lime	Lime		Lime	Lime	Lime		Lime	Lime	Lime
Price per Ton	\$124.67	\$128.41	\$132.26	\$104.00	\$107.12	\$110.33		not provided	not provided	not provided		\$ 120.00	annual adjustment	annual adjustment		\$ 203.00		
Freight Cost Per Ton	\$71.89	\$74.05	\$76.27	\$65.80	\$67.80	\$69.80		not provided	not provided	not provided		\$ 150.00	annual adjustment	annual adjustment		\$ 107.36		
Fuel surcharge	fuel DOE index		30% on freight S.S.holidays	30% on freight S.S.holidays	30% on freight S.S.holidays						\$ 15.03							
Delivered per ton w/o tax	\$196.56	\$202.46	\$208.53	\$169.80	\$174.92	\$180.13		\$ 196.00	\$ 204.00	\$ 212.00		\$ 270.00	annual adjustment	annual adjustment		\$ 325.39		
Available CaO Quality Factor	0.950	0.950	0.950	0.950	0.950	0.950		0.945	0.945	0.945		0.940				0.920		
quality adjusted total delivered \$	\$206.91	\$213.12	\$219.51	\$178.74	\$184.13	\$189.61		\$207.41	\$215.87	\$224.34		\$287.23	annual adjustment	annual adjustment		\$353.68		
Total Annual Cost Est, 2500 T	\$517,263.16	\$532,789.47	\$548,763.16	\$446,842.11	\$460,315.79	\$474,026.32		\$518,518.52	\$539,682.54	\$560,846.56		\$718,085.11	\$718,085.11	\$718,085.11		\$884,211.96	not offered	not offered
Total 3 year cost			\$1,598,815.79			\$1,381,184.21				\$1,619,047.62				\$2,154,255.32				not offered
Comments	DOE Fuel Index @ \$2.5		0.00%	Can not Calculate Surcharge	Can not Calculate Surcharge	Can not Calculate Surcharge		Can not calculate cost increase	Can not calculate cost increase									
	Recommended Supply	Recommended Supply	Recommended Supply															

RESOLUTION 2022-154

WHEREAS, Pete Lien & Sons was awarded the multi-term contract through September 2022 at the City Council Meeting on August 27, 2019; and

WHEREAS, review of the 2019 proposed procurement period the bidder has an option to provide extensions or longer procurement periods considered at the sole discretion of the City; and

WHEREAS, Pete Lien & Sons current price through September 2025 compared with the alternate bids from the original proposals is still the lowest total cost and best overall proposal that satisfied all requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Pete Lien & Sons, Inc., of Rapid City, South Dakota will be awarded the multi-term contract for the supply and delivery of pebble lime through September 2025.

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Adopted by the City Council of the City of Grand Island, Nebraska, June 14, 2022.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
June 10, 2022	☒ City Attorney