

Memo

To: Honorable Mayor and City Council
From: Greg Kluver, Public Works Superintendent
Date: January 8, 2013
Re: 2013 and 2014 Proposals for Lime by-product removal

The current contract to remove the lime by-product produced by the City's Water Treatment Facility expired at the end of 2012. Litzau Excavating, located in Lester Prairie, has held the contract for lime by-product removal in 2011 and 2012. The by-product is stored in two lagoons located on the north side of the Water Treatment Facility. Each year, one of the two lagoons must be emptied to provide additional space for by-product which is produced on a daily basis.

Litzau Excavating is proposing a two-year renewal of their contract. They are proposing the 2011-2012 price of \$32.00 per yard for both years. The contract requirements would remain identical to what they are now. Each lagoon holds approximately 300 yards of by-product. This price is still lower than previous bids of \$33.30 and \$35.30, which were received during the bid process in 2009-2010.

Staff has been very happy with the work performed by Litzau Excavating. They have been the successful bidder for the last 4 years. The City has experienced multiple problems with the other contractors that have had the removal contracts in the past.

It is Staff's recommendation to enter into an agreement with Litzau Excavating Inc. for the excavation and removal of lime by-product at a unit price of \$32/ cubic yard for 2013 and 2014.

Action Requested:

A motion authorizing the City Administrator and Public Works Superintendent to enter into an agreement with Litzau Excavating Inc.

The 2013 Water Operating Budget has \$10,000.00 identified for this project.

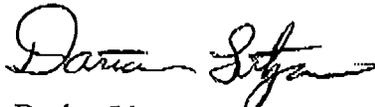
Litzau Excavating Incorporated
17232 Zero Avenue
Lester Prairie, MN 55354
Phone/Fax (320) 395-2467

City of Tonka Bay
4901 Manitou Road
Tonka Bay, MN 55331

City of Tonka Bay,

We are willing remain at the same price of \$32.00 per yard of lime for the 2013-2014 season.

Sincerely



Darian Litzau, CEO
Litzau Excavating, Inc.

Enc

SPECIAL CONDITIONS
I.C. 13-14

1. SCOPE OF WORK

The work under this Contract includes the removal and disposal of approximately 300 cubic yards of lime by-product in storage in lagoons immediately north of the City Water Plant at 4901 Manitou Road. The Contractor shall furnish all of the proper equipment, operators, transportation, etc., required to complete the work within the time specified.

2. COMPLETION DATE

Complete removal of lime by-product from one of the lagoons, including bottom and side slope restoration, shall be completed by November 30, 2013.

Two hundred dollars (\$200.00) will be deducted from any monies due the Contractor for each and every calendar working day (exclusive of Saturdays, Sundays, and State-recognized legal holidays) that the by-product removal remains uncompleted beyond either completion date as defined and specified above. This shall not be considered a penalty, but rather as liquidated damages for additional engineering, administrative cost, and inability to use the facility. This provision will be strictly applied.

3. EQUIPMENT AND METHODS

Sufficient equipment of proper size and good working condition shall be used to satisfactorily complete the work by the date as specified above. Equipment used for any portion of this project shall be such that no damage to structures, property, roadways, etc., will result from its use including truck boxes that leak and allow spillage onto the roadways. Any damage that occurs to the lagoon's bottom or side slopes, access roads, fences, etc., that was damaged due to the Contractor's operations shall be repaired promptly at the Contractor's expense and no additional compensation will be allowed. Trucks must be equipped with boxes that have rubber seals and a minimum of three (3) locking pins in addition to the two (2) standard ear latches. If another type of transportation equipment is used (tankers, etc.), they must be completely leak-free. Truck boxes may be checked for their sealing ability by filling them half full with water. Operators shall be experienced, capable, and properly supervised.

The method of excavation shall be determined by the Contractor based on existing site conditions but shall be limited to using either a dragline or pump to remove the by-product from the lagoons and placing it into trucks or tankers. If the Contractor desires to use a method or type of equipment other than what is specified above, he must request authority from the City to do so. The request shall include a full description of the methods and equipment proposed for use and explain the reasons for desiring the change.

The by-product removal operation shall be concentrated to one lagoon until completion. Existing bottom and side slopes (3:1) are to be maintained during

removal. If an excessive amount of material has been removed from the bottom and/or side slopes of the lagoons due to the Contractor's operations, the Contractor shall be required to replace the material with no additional compensation.

4. **DISPOSAL**

The excavated by-product shall be disposed of at any PCA-approved landfill for which the Contractor shall secure any required agency approvals. Any landfills that are proposed to be used shall be listed on the Proposal Form where indicated.

Land application for agricultural purposes is an acceptable alternative to disposing of the by-product in the landfill. However, arrangements with the property owner(s) and the Contractor must be made prior to submission of the bid. If the Contractor chooses this alternative, a letter from the property owner(s) of the land for which the by-product is being placed must be included with the bid. A form has been provided by the City that must be completed by each property owner of land that is to be used as a disposal site. This letter grants authority to the Contractor to place the by-product on the property or properties outlined in the letter. Failure to submit a letter(s), as stated above for adequate land as estimated by the Contractor for the disposal of all lime by-product to be removed from the lagoons, may be deemed sufficient cause for disqualification of bid.

Agreements made between the property owner and the Contractor involving spreading the by-product or any other arrangements are strictly between the parties involved. (The City will not be involved in any way.)

5. **PERMITS AND LICENSES**

A license from the Minnesota Department of Agriculture is required for the distribution of lime by-product. If the Contractor currently has possession of this license, a copy of the license shall be submitted as a bid document. However, the license may be obtained and presented at the Pre-construction Conference. County or other agency permits are the responsibility of the Contractor. Copies of such permits shall be provided by the Contractor at the Pre-construction Conference. Failure to provide such licenses and permits may result in forfeiture of the Contract.

6. **BY-PRODUCT CONSISTENCY**

Evaporation, consolidation and precipitation will alter the appearance of the lagoons; therefore, the City will not determine the moisture content or guarantee the consistency of the appearance of the by-product. The Contractor will be required to remove the by-product irregardless of its appearance or consistency. Furthermore, the City's Water Division will make every possible effort to avoid discharges into lagoons until one of these lagoons is completely cleaned. However, weather conditions or delay in the removal process may affect the

operation of the plant so as to require discharges into the lagoons. It is, therefore, imperative that the Contractor proceeds on a timely schedule to complete one of the lagoons completely. No additional compensation will be allowed for changes in appearance or consistency prior to removal.

7. STREET CLEANING

Care should be taken to avoid spillage onto roadways or streets. If spillage does occur on any roadway, the Contractor shall be responsible for any cleanup that may be necessary. In the event the Contractor fails to perform any cleanup which the City deems to be necessary within 24 hours after the Contractor has been notified, the City will perform the work and deduct from any monies due the Contractor the cost to do the work at a rate of \$150 per equipment hour (with operator) which will be compensation for cleanup and disposal. If any trucks or other construction equipment is experience leaking or spilling problems, these problems shall be corrected by installing tarps, reducing loads, modifying equipment or any other method that will eliminate the problem. If not corrected immediately, the equipment will be rejected and not allowed to return until appropriate corrections are made.

8. NOTICE TO PROCEED

A "Notice to Proceed" letter will be mailed to the Contractor upon satisfaction of the requirements as outlined in these Specifications. Prior to the "Notice to Proceed" letter, a list of subcontractors shall be submitted to the City for approval. Prior to the start of any work, a Pre-construction Conference will be held.

9. PAYMENT

Payment to the Contractor will be made within thirty (30) days following completion of the work. Payment will be based upon cubic yards removed, to be determined by cross-sectional survey by the City before and after the work. The final cross section will be taken to the top of the material (water, slurry or dirt bottom) left in the ponds. The unit price shall include all costs for excavating, loading, hauling and disposal of the lime by-product, including any dumping fee at the disposal site.

10. SECOND YEAR OPTION

The Contractor has the option to bid a unit price for a second year (2014) with these specifications applicable for that option year for the removal and disposal of approximately 300 cubic yards of lime by-product in Lagoon 2. The unit price shall be guaranteed for 2014 with the estimated by-product removal quantities as stated. As previously stated in paragraph five, the City cannot guarantee the quantity, consistency or appearance of the by-product at the time of the second year option due to weather conditions and plant operations. However, if the Contractor accepts the option, they will be required to remove the by-product irregardless of its appearance or consistency at the unit bid price per cubic yard.

Contractor licenses and permits shall be renewed and submitted as appropriate for 2013 and 2014.

**PROPOSAL FORM
I.C. 13-14**

The understated has examined and understands the attached specifications and hereby proposes to furnish all equipment and operators required for the removal and disposal of lime by-product from lagoons at the Tonka Bay Water Plant in accordance with said specifications at the unit prices listed below:

<u>ITEM</u>	<u>ESTIMATED QUANTITY</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
Excavation of lime by-product	300 cubic yards	\$ _____	\$ _____
2014 Option	300 cubic yards (Lagoon 2)	\$ _____	

_____ Dispose in PCA approved landfill:
Name(s): _____

_____ Apply to agricultural land (letter of authorization must be enclosed for each property owner as supplied)

_____ Both

_____ Other (Describe): _____

_____ Complied with all Federal and State requirements regarding Alcohol and Drug Testing for CDL drivers.

The undersigned declares that they have the proper equipment to perform the work as specified herein and further agrees that failure to provide such equipment may be grounds for cancellation of this contract.

Firm

Authorized Signature

Title

Address

City State Zip Code

Phone

Date: _____

To Whom It May Concern:

This letter serves as permission for the application of lime as produced by the City of Tonka Bay and distributed by _____ on properties owned by me. The application of lime may be over approximately _____ acres at the following location which I am the property owner:

PARCEL DESCRIPTION (S):

I understand that the distributor will provide me with information regarding the chemical analysis of the by-product and the quantity of lime by-product applied to my property.

Property Owner Signature

Printed Name

Address

City State Zip Code

Phone