

Memo

TO: Mayor De La Vega/ Tonka Bay City Council

CC: Joe Kohlmann/ City Administrator

FROM: Robin Bowman/ Public Works Superintendent

DATE: March 24th, 2015

RE: 2015, 2016 & 2017 Proposals for Lime By-Product removal.

The current contract to remove the Lime Bi- Product produced by the City's Water Treatment Facility expired at the end of 2014. Litzau Excavating Inc., located in Lester Prarie, MN has held the contract for Lime Bi-Product removal for the years 2011 thru 2014.

They held their cost the same since 2011-2014 at \$32.00 per yard. For the years 2015, 2016 & 2017, Litsau Excavating is proposing renewal of their contract with a \$2.00 a yard increase. The contract requirements would remain identical to what they are now. Each lagoon holds approximately 300-350 yards of Bi-Product.

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 of their contracts in the past,

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. This year I sent out request for bid to four contractors.

<u>Contractor</u>	<u>Cost per Cubic Yard</u>
Hader Farms, Zumbrota MN	No response
Mountain Environmental, Lino Lakes MN	No response
Borresen Const Inc, Belle Plaine MN	No response
Litzau Excavating Inc, Lester Prairie, MN	\$34.00

Source of Funds.

Water Operating Fund line item 49440.229 Lime pit expenses we have \$10,000.00
 At 300 tons it will cost us \$10,200.00. We will be short by \$200.00 this year, we will
 need to bump this line item up in 2016 & 2017. It is Staffs' recommendation to enter into
 a one year contract in hopes cost will go down next year if other venders submit bids.

ACTION REQUESTED

To enter into an agreement with Litsau Excavating Inc. for the excavation and removal of
 lime by- product at a unit price of \$ 34.00/ cubic yard for 2015-2017. as well as
 Authorizing the City Administrator and Public Works Superintendant to enter into an
 agreement with Litsau Excavating Inc.

**NOTICE TO CONTRACTORS
IMPROVEMENT CONTRACT 15-17**

Bid Request for Lime By-product Removal and Disposal

Bids Close: 2:00 p.m., Wednesday, February 10, 2015
Tonka Bay City Hall
Tonka Bay, MN 55331
Telephone: (952) 474-7994
Fax: (952) 474-6538

NOTICE IS HEREBY GIVEN that bids will be received at the Tonka Bay City Hall, 4901 Manitou Road, Tonka Bay, MN for excavation and disposal of approximately 300-350 cubic yards of lime by-product from the Tonka Bay Water Plant's lagoons.

Payment to the bidder will be by check within thirty (30) days after receiving invoice once work has been completed.

The City of Tonka Bay reserves the right to reject any or all bids and to waive any irregularities and informalities therein and further reserves the right to award the Contract in the best interests of the City.

All proposals must be addressed or E-mailed to:

City of Tonka Bay
4901 Manitou Road
Tonka Bay, MN 55331
Or rbowman@cityoftonkabay.net

And shall be endorsed thereon:

Bid for Lime By-product Removal and Disposal
Bids Close: 2:00 p.m., Wednesday, February 10, 2015
Addendum No. (s) _____ included

By Order of the City Council
CITY OF TONKA BAY
Joseph Kohlmann, City Administrator

SPECIAL CONDITIONS
I.C. 15-17

1. **SCOPE OF WORK**

The work under this Contract includes the removal and disposal of approximately 300-350 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 30th of each year.

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. County or other agency permits are the responsibility of the Contractor. Copies of such permits shall be provided by the Contractor at the time of lime removal. 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 regardless of its appearance or consistency. Furthermore, the City's 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 or e-mail will be sent to the Contractor upon satisfaction of the requirements as outlined in these Specifications.

9. **PAYMENT**

Payment to the Contractor will be made within thirty (30) days after receiving invoice of completed work. Payment will be based upon cubic yards removed. 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 & THIRD YEAR OPTION**

The Contractor has the option to bid a unit price for a (2016 & 2017) with these specifications applicable for that year for the removal and disposal of approximately 300-350 cubic yards of lime by-product in Lime pond. The unit price shall be guaranteed 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 due to weather conditions and plant operations. However, if the Contractor accepts the option, they will be required to remove the by-product regardless of its appearance or consistency at the unit bid price per cubic yard. Contractor licenses and permits shall be renewed and submitted as appropriate.

**PROPOSAL FORM
I.C. 15-17**

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	300-350 cubic yards	\$ 39.00	\$11,900

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.

Litzow Excavating, Inc.

Firm _____

Authorized Signature [Signature]

CEO

Title _____

17232 Zero Ave

Address _____

Lester Prairie City MN State 55354 Zip Code

320-395-2467

Phone _____

Date: 2-7-15

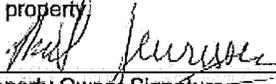
To Whom It May Concern:

This letter serves as permission for the application of lime as produced by the City of Tonka Bay and distributed by Litzow Excavating Inc on properties owned by me. The application of lime may be over approximately 35 acres at the following location which I am the property owner:

PARCEL DESCRIPTION (S):

Sec 21d 22 Bergen Twp McLeod CO MN

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

Rick Jevissen
Printed Name

15677 Bergen Rd
Address

Lester Prairie MN 55354

City State Zip Code

952 215 9099

Phone

The Contract Documents are hereby incorporated with this Agreement and are as much a part of this Agreement as if fully set forth herein. This Agreement and the Contract Documents are the Contract.

CONTRACTOR agrees to fully and satisfactorily complete the work contemplated by this Agreement in accordance with the following schedule:

Completion dates: November 30, 2015 -
November 30, 2017 final

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 the completion dates specified above.

This Agreement shall be executed in two (2) copies.

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands and seals as of the date first above written.

In presence of:

CITY OF TONKA BAY

By _____
Its Mayor

and _____
Its City Administrator

In presence of:

CONTRACTOR:

Darrian Litzau

Litzau Excavating Inc.
By Dan Litzau CEO
Title

Denise Litzau

and Denise Litzau COO
Title