

**Date:** November 14, 2022  
**Amount:** \$116,571.17  
**Account Number:** 1260-1730

**EXPLANATION TO COUNCIL BILL**

**ORIGINATING DEPARTMENT:** Public Works & Transportation

**PURPOSE:** To authorize the payment of overage costs associated with the purchase of sand from Holiday Sand & Gravel Company to construct the leachate drainage layer in Area 3, Stage 7A at St. Joseph Sanitary Landfill for an amount not to exceed \$116,571.17.

**REMARKS:** The City of St. Joseph's Sanitary Landfill is divided into cells or designated areas where the land will be prepared for waste disposal. The City constructed a cell designated as Area 3, Stage 7A. Only one bid for sand supply for the cell were received on June 10, 2020 and approved by Council on July 13, 2020. Holiday Sand & Gravel Company was the only company within the St. Joseph/Kansas City area capable of supplying the quantity of sand that meets the hydraulic conductivity and particle sizing specifications for this project. The nearest competitor that offers this specific DNR-required type of sand is Capital Sand, in Jefferson City more than 200 miles away. It was determined that 5,800 tons of sand would be needed to construct this layer at a cost of \$20.20 per ton delivered to the project site, resulting in a total cost of \$117,160.00. The sand is an integral part of the cell construction process, and part of the DNR requirements for an Authorization to Operate (ATO). The sand is laid on the floor of the cell, immediately on top of the geotextile liner, at a depth of 1 foot. The sand acts as part of the drainage system, and allows leachate to move through the trash to the leachate collection pipe.

The sand was priced in 2020 and ordered earlier this year. When ordering, Holiday stated that the price would be higher than quoted due to fuel, supply chain issues, etc., but made no indication that caused staff to realize the price would be as much as the company ultimately invoiced. At that time, heavily into the construction phase, our crews were working mandatory 50 hour work weeks. The sand was required in order to keep the project on schedule, so the sand was ordered and delivered at an increased price.

Once the invoices were received, it was determined that the price of the sand had almost doubled. Several factors contributed to this increase in the cost of sand purchased. The original bid delivered sand from the plant in St. Joseph; since then the company is no longer dredging sand in St. Joseph and the sand is being delivered from Kansas City. Instead of 5,800 tons of sand, 6,048 tons of sand was required to complete the project, meaning an extra 248 tons were invoiced. The original bid price two years ago was \$20.20 per ton and has since been raised to \$38.90 per ton with an added \$0.10 per ton fuel surcharge and a \$0.60 per ton energy surcharge. Lack of competition, increase in driving distance, fuel costs, and general price increases from 2020 until now has caused a significant cost increase of \$116,571.17. This almost doubles the original price of \$117,160.00 to a total of \$233,731.17.

The purchase will be paid out of the Landfill Fund, Account No. 1260-1730 (Improvements Other Than Buildings).

CIP#470-300R

**THIS RESOLUTION HAS BEEN CERTIFIED THAT THE FOREGOING CONTRACT OR ORDER IS WITHIN THE PURPOSE OF THE APPROPRIATION TO WHICH IT IS TO BE CHARGED, AND THAT THERE IS AN UNENCUMBERED BALANCE TO THE CREDIT OF SUCH APPROPRIATION SUFFICIENT TO PAY THEREFORE.**