

**City of Fayetteville Staff Review Form**

**2019-0490**

**Legistar File ID**

**9/3/2019**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Tim Nyander

8/14/2019

WASTEWATER TREATMENT (730)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Staff recommends approval of the purchase of an electric tilling mole from Parkson Corporation for use at the Biosolids Management Site in the amount of \$47,500.00 plus applicable freight and taxes, and approval of a budget adjustment.

**Budget Impact:**

5400.730.5800-5801.00	Water and Sewer																								
Account Number	Fund																								
02069.1	Plant Pumps and Equipment - WWTP																								
Project Number	Project Title																								
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;"><b>Budgeted Item?</b></td> <td style="width: 10%;"><u>Yes</u></td> </tr> <tr> <td><b>Does item have a cost?</b></td> <td><u>Yes</u></td> </tr> <tr> <td><b>Budget Adjustment Attached?</b></td> <td><u>Yes</u></td> </tr> </table>	<b>Budgeted Item?</b>	<u>Yes</u>	<b>Does item have a cost?</b>	<u>Yes</u>	<b>Budget Adjustment Attached?</b>	<u>Yes</u>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Current Budget</td> <td style="width: 10%;">\$</td> <td style="width: 10%; text-align: right;">1,128,495.00</td> </tr> <tr> <td>Funds Obligated</td> <td>\$</td> <td style="text-align: right;">1,128,490.63</td> </tr> <tr> <td style="border-top: 1px solid black;">Current Balance</td> <td style="border-top: 1px solid black;">\$</td> <td style="border-top: 1px solid black; text-align: right;"><b>4.37</b></td> </tr> <tr> <td>Item Cost</td> <td>\$</td> <td style="text-align: right;">53,119.00</td> </tr> <tr> <td>Budget Adjustment</td> <td>\$</td> <td style="text-align: right;">53,119.00</td> </tr> <tr> <td style="border-top: 1px solid black;">Remaining Budget</td> <td style="border-top: 1px solid black;">\$</td> <td style="border-top: 1px solid black; text-align: right;"><b>4.37</b></td> </tr> </table>	Current Budget	\$	1,128,495.00	Funds Obligated	\$	1,128,490.63	Current Balance	\$	<b>4.37</b>	Item Cost	\$	53,119.00	Budget Adjustment	\$	53,119.00	Remaining Budget	\$	<b>4.37</b>
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V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** \_\_\_\_\_

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:** Freight is estimated at \$900.00, and taxes are estimated at \$4,719.00 for a total cost of \$53,119.00.



**MEETING OF SEPTEMBER 3, 2019**

**TO:** Mayor and City Council

**THRU:** Don Marr, Chief of Staff  
Water & Sewer Committee  
Tim Nyander, Utilities Director

**FROM:** Greg Weeks, Wastewater Treatment

**DATE:** August 14, 2019

**SUBJECT: Purchase of an Electric Tilling Mole from Parkson Corporation**

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**RECOMMENDATION:**

Staff recommends approval of the purchase of an electric tilling mole from Parkson Corporation for use at the Biosolids Management Site in the amount of \$47,500.00 plus applicable freight and taxes, and approval of a budget adjustment.

**BACKGROUND:**

The Biosolids Management Site utilizes a series of six solar houses, approximately 48,000 total square-feet, to partially dry wet biosolids prior to the thermal drying process for production of Class-A, biosolids fertilizer. Each solar house includes an electric mole unit specifically designed for tilling the biosolids automatically, aiding in the drying process. The biosolids drying process saves the City significant landfill costs annually, as well as allows for beneficial reuse of the biosolids material.

**DISCUSSION:**

The City's solar houses drying system is a trademarked product of Thermo-System GmbH, out of Germany. Since initial construction and system startup in May 2011, Parkson Corporation has been Thermo-System's exclusive parts and services representative for US customers. Recently, project staff were informed by Parkson, the US representative of the solar drying system, they will no longer be carrying the sole source rights of representation for Thermo-System GmbH products for US customers. In addition to recently announcing their change of representation status, Parkson has offered the City discounted pricing on their in-stock Thermo-System products. An item of interest is a robotic tilling mole unit, originally designed specifically for Fayetteville's drying system, available at 50% its original list price.

The solar houses and current electric tilling mole units have been in operation for just over 8 years. This service time translates to over 13,000 hours, or an estimated 35,000 miles, of operation per mole unit. This year, three of the six mole units have experienced frame stress fractures. Fortunately, the stress fractures have been repairable, but these damages could be indicative of extended component usage and the possibility of a more catastrophic frame or other non-repairable failure. Parkson has indicated that normal lead time for a replacement mole

is six months. Considering recent developments between Parkson and Thermo-System's US representation, the availability of a new mole unit and repair parts is completely uncertain for the near future. If a solar house were out of service for even eight months, while replacement units or parts are on order (or unavailable), staff estimates at least 32 loads of biosolids would need be landfilled. At an average cost of \$900 per load hauled to the landfill that equates to almost \$29,000, which does not include the additional fuel and labor for the landfill hauling.

Staff recommends a bid waiver with Parkson Corporation as they are currently the only US source of the Thermo-System electric mole unit. Parkson recently submitted a quote of \$47,500.00 for a mole unit that will be available as a critical spare for the Biosolids Management Site. Freight is estimated at \$900.00, and taxes are estimated at \$4,719.00 for a total cost of \$53,119.00.

**BUDGET/STAFF IMPACT:**

Budgeted funds will be moved from the Sanitary Sewer Rehabilitation account to the Plant Pumps and Equipment account to cover the cost of the purchase of an electric tilling mole for the Biosolids Site. Funds being moved are budgeted funds for sewer rehabilitation/replacement and maintenance.

**Attachments:**

Quote from Parkson Corporation  
Budget Adjustment



## Aftermarket - Quotation

1401 W. Cypress Creek Road - Suite 100, Fort Lauderdale, FL 33309  
1- 888 PARKSON

562 Bunker Court, Vernon Hills, IL 60061  
1-800-249-2140

**\* The Quotation is submitted pursuant to Parkson Corporation's Aftermarket Terms and Conditions, which are attached hereto**

Quote Name	Fayetteville AR 700194 evs 6/22/19	Created Date	6/22/2019
Quote Number	00024795	Expiration Date	7/22/2019
Prepared By	Edna Sugden	Contact Name	Christy Taylor
Phone	847-837-4938	Phone	(479) 444-0717
Email	esugden@parkson.com	Email	christy.taylor@jacobs.com
Bill To Name	Fayetteville AR WWTP	Ship To Name	Fayetteville AR WWTP
Project #	700194	Estimated Delivery	1 week

*Edna V. Sugden*

Item Number	Product	Line Item Description	Quantity	Sales Price	Total Price
Custom	Customized Item	Mole, ThermoSystems "Billy" (originally sold to Fayetteville, then repaired and used as a show unit since	1.00	\$47,500.00	\$47,500.00
0900000-	x- Freight	Ground transportation via flatbet	1.00	\$900.00	\$900.00

Line Items	2	Subtotal	\$48,400.00
		Total Price	\$48,400.00

Please complete information below:

BILL TO Name: _____	SHIP TO Name: _____
Address: _____	Address: _____
City, State, Zip: _____	City, State, Zip: _____
PO #: _____	SHIP TO Attn of: _____
Bill to - Email: _____	Phone: _____

All amounts expressed in US Dollars

Quote Acceptance Information

Signature  
Name  
Title  
Date

## AFTERMARKET TERMS AND CONDITIONS (DOMESTIC)

These terms and conditions ("Agreement") apply to your purchase of Parts as described on page 1 above ("Parts") from Parkson Corporation ("Parkson"), is the entire contract between you and Parkson and supersedes any previous communications, representations or contracts between you and Parkson regarding the Parts. Any additional or different terms will not apply, and this Agreement may not be altered, supplemented or amended unless agreed to in writing by Parkson. By placing an order based on this Quotation, you accept and are bound to this Agreement.

1. Orders. Either a Purchase Order from you referencing this Quotation or the execution of this Quotation is required prior to order activation. You are responsible to ensure that all information provided to Parkson is accurate and complete. Your order is subject to both acceptance and cancellation by Parkson, in its sole discretion. All orders are subject to Credit approval. Miscellaneous expenses (courier, freight charges, handling, insurance, etc.) and travel associated with the order will be for your account. You may not cancel or change an Order after acceptance by Parkson without the written consent of Parkson. If Parkson, in its sole discretion, agrees to cancel an Order, you are responsible to pay for all work completed and expenses incurred from the earlier of the date of the order, or authorization to proceed, plus a cancellation fee of 20% of the order value. If Parkson, in its sole discretion, agrees to change an order at your request, you are responsible to pay for all additional expenses resulting from that change.

2. Payment Terms. Payment terms are 100% Net 30 due from date of invoice, subject to credit approval. Parkson accepts cash, check, Visa, MasterCard and American Express. Parkson may invoice part of an order separately. A 2.0% processing fee will be added to all invoices over \$10,000 paid by credit card. If any payment is not made on time, late charges computed at the lesser of one and one-half percent (1½ %) per month or the highest amount permitted by law, shall be due and payable. There is a \$50 minimum on all orders. A Packaging and Handling fee of \$25 for all orders under \$2,000.00 will apply unless paying by credit card. In those situations, fees will be waived.

3. Shipping; Title; Risk of Loss; Acceptance. Parkson will pre-pay and add delivery charges to your invoice as a courtesy. Shipping terms for all Parts are FOB destination ~~shipping point~~ therefore, delivery failures are not Parkson's responsibility. Quoted lead-times reflect best estimation based on loading and capacity at time of Quotation but are not guaranteed. Parkson reserves the right to inform you of lead-time changes. You must notify Parkson within ten (10) days of receipt of shipment, in writing, if you believe any part of your purchase is missing, wrong or damaged. Unless you have so notified Parkson, specifying the nature of what is missing, wrong, or damaged within ten (10) days of shipment, Parts will be deemed accepted, non-returnable and non-refundable.

4. Taxes. Unless provided with a valid and correct tax exemption certificate applicable to your purchase of Parts and the Parts' ship-to location, Parts sold by Parkson and shipped to certain destinations are subject to collection of sales tax by Parkson. You are responsible for any other sales, use or other taxes associated with the order.

5. Force Majeure. Parkson shall not be responsible for any delay or failure in delivery or performance of any of its duties hereunder due to acts of God, acts or omissions or any other occurrence commonly known as Force Majeure, including war, riots, acts of terrorism, embargoes, strikes, or other concerted acts of workers, casualties or accidents, or any other causes or circumstances that prevent or hinder the manufacture or delivery of the Parts. Parkson may cancel or delay performance hereunder for so long as such performance is delayed by such occurrence and in such event Parkson shall have no liability to you whatsoever.

6. Warranty. There is no warranty provided as the equipment is being sold "as is where as". If the order is for parts only, the warranty shall be for a period of ninety (90) days following the Parts shipment date. If the order includes any onsite service by Parkson, the warranty shall be for a period of one (1) year from the Parts shipment date. This shall be a limited warrant, to be free from defective material and workmanship, under normal use and service and when installed, operated and maintained in accordance with installation instructions, this policy and maintenance/operating procedures. To make claim under this Warranty, you must notify Parkson within ten (10) business days after the date of discovery of any nonconformity and make the affected Parts immediately available for inspection by Parkson or its service representative. If Parkson's inspection indicates nonconforming materials and/or workmanship, the Parts will, at Parkson's option, either be repaired or replaced without charge. Upon receipt of Parkson's written consent, Parts may be promptly returned to Parkson, F.O.B. its factory. However,

under certain circumstances, Parkson may decide, in its sole discretion, to repair or replace Parts at the Project site. Buyer hereby agrees to provide Parkson, its employees and/or representatives, free of charge, on-site access to the Project site, and any necessary utilities and plant personnel needed by Parkson for the purpose of repairing and/or replacing nonconforming Parts per this Warranty. The following will void this warranty: Parts that are used for purposes other than those for which they were designed; Parts not used in accordance with generally approved practices; disasters, whether natural or manmade, such as fire, flood, wind, earthquake, cave in, lightning, war, or vandalism; unauthorized alterations to or modifications of the Parts not approved by Parkson, in writing; Abuse, neglect or misuse of Parts, including without limitation, operation of Parts after a defect is discovered; Operation of Parts by persons not properly trained for that purpose; failure to operate the Parts in accordance with Parkson's specifications, O&M manuals or other written guidelines; and/or, failure to perform regular cleaning, inspection, adjustment and/or preventative maintenance. Parkson is not liable for any corrective work or expenditure that has not been authorized by Parkson in writing prior to the commencement of such work and prior to committing to such expenditures. Inspection service calls, requested by Buyer, where no evidence of nonconforming materials and/or workmanship is found, will be invoiced to the Buyer at Parkson's current per diem, plus all travel and living expenses. Onsite labor and freight are not covered by this Warranty. This Warranty does not cover normal wear and tear. Following a Warranty claim, verification of proper operation and maintenance is required. Physical damage due to external forces and/or accident is not covered by this Warranty. The effects of corrosion and unforeseeable influent characteristics are excluded from this Warranty. Actions by 3<sup>rd</sup> parties in causing nonconformity of the Parts are not covered under this Warranty. THE FOREGOING LIMITED WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER GUARANTEES AND WARRANTIES OF ANY KIND WHATSOEVER, WRITTEN, ORAL OR IMPLIED. ALL OTHER WARRANTIES INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.

7. Limitation of Liability. PARKSON DOES NOT ACCEPT LIABILITY BEYOND THE REMEDIES SET FORTH HEREIN, INCLUDING BUT NOT LIMITED TO, ANY LIABILITY FOR PARTS NOT BEING AVAILABLE FOR USE, LOST REVENUE OR PROFITS OR LOSS OF BUSINESS. PARKSON WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, OR PUNITIVE DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY ANY THIRD PARTY. YOU AGREE THAT FOR ANY LIABILITY RELATED TO THE PURCHASE OF PARTS, PARKSON IS NOT LIABLE OR RESPONSIBLE FOR ANY AMOUNT OF DAMAGES ABOVE THE AMOUNT INVOICED FOR THE APPLICABLE PARTS. PARKSON SHALL NOT BE RESPONSIBLE, UNDER ANY CIRCUMSTANCES, FOR ATTORNEYS' OR LITIGATION EXPENSES.

8. Indemnification. You shall comply and require your employees to comply with all instructions provided by Parkson regarding installation, use and maintenance of the Parts and shall require your employees to use reasonable care and all safety devices in the operation and maintenance of said Parts. You shall not remove or permit removal or modification of any safety device, warning sign or label. You shall immediately give Parkson written notice of any personal injury or property damage arising out of the use of the Parts and cooperate with Parkson in investigating any such accident or malfunction. You agree to indemnify and hold Parkson and its suppliers harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind and nature (including attorney's fees) ("Actions") for personal injury or property damage arising from or in any way connected with the operations, activities or use of the Parts if you fail to fulfill any of the foregoing obligations. You agree to indemnify Parkson, its employees, agents, representatives and suppliers from and against any and all Actions, regardless of form, concerning any breach of this Agreement by you, any acts or omissions by you relating to your performance hereunder, and any claim of third parties arising out of this Agreement or the sale of Parts hereunder.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas ~~Florida~~ without reference to the choice of law principles thereof. Any action arising out of or relating to this Agreement shall be brought to any federal or state court in Arkansas ~~Florida~~ having jurisdiction of the subject matter, and you irrevocably consent that such a court shall have personal jurisdiction over you and you waive any objection that the court is an inconvenient forum.