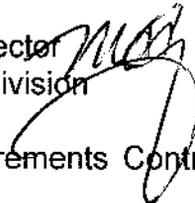


AGENDA ITEM NO.	IB
COUNCIL MEETING	04/10/14
APPROVED BY	
	
DEPARTMENT DIRECTOR	
	
CITY MANAGER	

April 10, 2014

FROM: Department of Public Utilities

BY: MARTIN A. QUERIN, PE, Assistant Director
Department of Public Utilities – Water Division 

SUBJECT: Reject all bids received for the Requirements Contract for Bulk Sodium Hydroxide – Bid File 9265 (Citywide)

RECOMMENDATION

Staff recommends City Council reject all bids received for the requirements contract for bulk sodium hydroxide.

EXECUTIVE SUMMARY

The Department of Public Utilities - Water Division, solicited bids to establish a requirements contract for bulk sodium hydroxide. There were four bids received. Sales tax was mistakenly included in the specifications. This product is used as an additive in finished drinking water, and as such is a non-taxable item. Two of the four bidders included sales tax in their bid while one did not, rendering this formal bid invalid. Purchasing is prepared to rebid upon City Council's consideration of the staff recommendation to reject all bids received for the bulk sodium hydroxide requirements contract.

BACKGROUND

A Notice Inviting Bids was published on November 20, 2013, per the City of Fresno Charter Section 1208. Ten Building Exchanges were faxed Notice Inviting Bids, and 16 specifications were distributed to prospective bidders. The bid opening was on December 17, 2013, and four bids were received ranging from \$201,113.00 to \$226,428.35. Purchasing is prepared to immediately rebid upon Council's consideration of the staff recommendation to reject all bids received for the requirements contract for bulk sodium hydroxide.

The Department of Public Utilities - Water Division, considers sodium hydroxide an extremely effective enhancement chemical for City of Fresno's water supply. It conditions raw water, thereby enhancing the chemical reaction with the primary coagulant, in order to facilitate cleansing of the water. It also adjusts the pH of the treated water entering the water distribution system, rendering the water non-aggressive and reducing the potential for corrosion-related failures in both the distribution system, as well as the end-users' facilities (homes and businesses, etc.).

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 the award of this contract does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

LOCAL PREFERENCE

Local preference did not affect the award of this requirements contract since none of the bidders qualify as a local business according to the Fresno Municipal Code Section 4-108.

FISCAL IMPACT

As the recommendation is for rejection of the bid there is no fiscal impact.

EVALUATION OF BID PROPOSALS

Page 1

FOR: REQUIREMENTS CONTRACT FOR BULK SODIUM HYDROXIDE

Bid File No. 9265
Bid Opening: 12/17/13

BIDDER'S	BID AMOUNT
1. Olin Corporation Db a Olin Chlor Alkali Products 26700 South Banta Road Tracy, CA 95304	\$201,113.00
2. Brenntag Pacific, Inc. 10747 Patterson Place Santa Fe Springs, CA 90670	\$207,846.11
3. Univar USA, Inc. 8201 S. 212th Kent, WA 98032	\$226,428.35

Each bidder has agreed to allow the City ninety (90) days from date bids are opened to accept or reject their bid proposal. Purchasing requests that you complete the following sections and return this bid evaluation to the Purchasing Division at the latest by Wednesday, January 8, 2014 5:00 P.M.

The Engineers Estimate/Budget Allocation for this expenditure is \$N/A. The contract price is N/A% above/below the Engineer's Estimate/Budget Allocation. If the overage is greater than 10% or only one bid was received, give explanation:

BACKGROUND OF PROJECT: This chemical will be used at the NE Surface Water Treatment Facility and the T-3 Water Storage and Treatment Facility. Its purpose will be to adjust the pH level of the raw water in order to keep it within the optimal pH range for treatment using aluminum sulfate (alum). It will also be used to raise the pH of the water leaving the plants to a level that will help prevent corrosion in the distribution system.

EVALUATION OF BID PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR BULK SODIUM HYDROXIDE

Bid File No. 9265
Bid Opening: 12/17/13

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ _____
to _____
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason: Sales tax was mistakenly included in the bid specification as this product is used as an additive in finished drinking water which makes it a non-taxable item. Two bidders included the sales tax while one did not. This needs to be rebid without the sales tax as a line item in the bid.

Department Head Approval



Title Assist. Dir. / DPU - Water
Date 25 Feb. 2014

Approve Dept. Recommendation

Approve Finance/Purchasing Recommendation

Disapprove

Disapprove

See Attachment

FINANCE DEPARTMENT

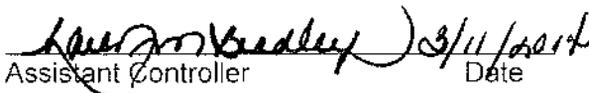
CITY MANAGER



Purchasing Manager 3/11/14
Date



City Manager or Designee 3/17/14
Date



Assistant Controller 3/11/2014
Date

FISCAL IMPACT STATEMENT

PROGRAM: Surface Water Treatment Plant O & M (WM00006)

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	0	0
Indirect Cost	0	0
TOTAL COST	0	0
Additional Revenue or Savings Generated	0	0
Net City Cost	0	0
Amount Budgeted (If none budgeted, identify source)	0	0

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