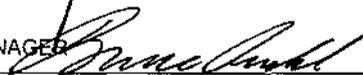


AGENDA ITEM NO.	I H
COUNCIL MEETING	04/10/14
APPROVED BY	
	
DEPARTMENT DIRECTOR	
	
CITY MANAGER	

April 10, 2014

FROM: Department of Public Utilities

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

SUBJECT: Award a Requirements Contract in the amount of \$265,050 to General Chemical Performance Products, LLC for Bulk Aluminum Sulfate for a one-year contract with provisions for two one-year extensions, total amount not to exceed \$795,150 - Bid File 9269 (Citywide)

RECOMMENDATION

Staff recommends City Council award a one-year requirements contract with provisions for two one-year extensions to General Chemical Performance Products, LLC of Parsippany, New Jersey, in the amount of \$265,050, total not to exceed \$795,150, to provide bulk aluminum sulfate.

EXECUTIVE SUMMARY

The Department of Public Utilities - Water Division, solicited bids to establish a requirements contract for bulk aluminum sulfate. This contract provides for the delivery of aluminum sulfate to the Surface Water Treatment Facility. Aluminum sulfate is the primary coagulant chemical in the treatment of raw water for drinking water purposes. The Staff recommends award of a requirements contract to General Chemical Performance Products for bulk aluminum sulfate. Funding for this contract is included in the FY 2014 budget.

BACKGROUND

The Department of Public Utilities - Water Division, uses aluminum sulfate as the primary coagulant chemical in the cleansing of raw water into potable water. Treatment with aluminum sulfate is integral in the processes of the Surface Water Treatment Facility in order to produce potable water that meets the stringent requirements of the California Department of Public Health as well as the Environmental Protection Agency.

A Notice Inviting Bids was published December 11, 2013. Ten Building Exchanges were faxed Notice Inviting Bids, and 16 specifications were distributed to prospective bidders. The bid opening was on January 14, 2014, and will expire on April 14, 2014. Two bid proposals with prices ranging from \$265,050 to \$268,850 were received. General Chemical Performance Products of Parsippany, New Jersey, submitted the lowest bid price in the amount of \$265,050 and is considered the lowest responsive and responsible bidder. The Notice of Staff Determination of Contract Award was posted on the City's website on March 18, 2014.

Upon approval by the City Council, the agreement will be executed by the Director of Public Utilities or his designee, who has been delegated this authority by the City Manager.

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

The expenditure, which is citywide, will not have any impact to the General Fund. Appropriations for bulk aluminum sulfate are included in the Water Division's FY 2014 Operating Program budget within the Water Enterprise Fund (40101). Funding for this expenditure was included in the water rate model used to create the four-year utility rate plan and subsequently adopted by the City Council on August 15, 2013 (Resolution 2013-143).

The current budget allocation reflects current needs for the one currently operational plant. The coming year will see the start of operations of a second facility and the completion of design of a third facility that will be three times larger than the current plant. Future budget allocations will reflect the operation of these additional plants as they are brought on line.

Upon approval by the City Council, the agreement will be executed by the Director of Public Utilities or his designee, who has been delegated this authority by the City Manager.

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The current budget allocation reflects current needs for the one currently operational plant. The coming year will see the start of operations of a second facility and the completion of design of a third facility that will be three times larger than the current plant. Future budget allocations will reflect the operation of these additional plants as they are brought on line.

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EVALUATION OF BID
PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR BULK ALUMINUM SULFATE

Bid File No. 9269
Bid Opening: 1/14/14

BIDDER'S	BID AMOUNT
1. General Chemical Performance Products, LLC 90 East Halse Road Parsippany, NJ 07054	\$265,050.00
2. Thatcher Company of California, Inc. P.O. Box 27407 Salt Lake City, UT 84127-0407	\$268,850.00

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, February 5, 2014 5:00 P.M.

The Budget Allocation for this expenditure is \$120,000. The contract price is 221% above the Budget Allocation. The current Budget Allocation reflects current needs for the one currently operational plant. The coming year will see the start of operations of a second facility and the completion of design of a third facility that will be 2 2/3 times larger than the current plant. Future Budget Allocations will reflect the operation of these additional plants as they are brought on line.

BACKGROUND OF PROJECT: Aluminum sulfate is the primary coagulant chemical in the treatment of raw water for drinking water purposes. Treatment with aluminum sulfate is integral in the processes of the Surface Water Treatment Facility in order to produce drinking water that meets the stringent requirements of the California Department of Public Health as well as the USEPA.

EVALUATION OF BID
PROPOSALS

FOR: REQUIREMENTS CONTRACT FOR BULK ALUMINUM SULFATE

Bid File No. 9269
Bid Opening: 1/14/14

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ \$265,050.00 to General Chemical Performance Products, LLC as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval



Title AD OPU - Water
Date 16 March 2014

Approve Dept. Recommendation Approve Finance/Purchasing
Recommendation

Disapprove Disapprove

See Attachment

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	\$30,000.00	\$147,000.00
TOTAL COST	\$30,000.00	\$147,000.00
Additional Revenue or Savings Generated	0	0
 Net City Cost	 \$30,000.00	 \$147,000.00
 Amount Budgeted (If none budgeted, identify source)	 \$120,000.00	 \$147,000.00