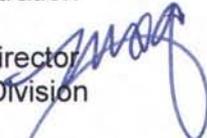


AGENDA ITEM NO.	1 F
COUNCIL MEETING	2/4/2010
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

February 4, 2010

FROM: RENE A. RAMIREZ, Director 
Department of Public Utilities - Administration

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

SUBJECT: AWARD REQUIREMENTS CONTRACT TO SIEMENS WATER TECHNOLOGIES CORPORATION, OF WARRENDALE, PA. IN THE AMOUNT OF \$267,266.89 TO REMOVE AND/OR INSTALL GRANULAR ACTIVATED CARBON AND AUTHORIZE THE DIRECTOR OF PUBLIC UTILITIES TO EXECUTE A ONE-YEAR CONTRACT WITH PROVISIONS FOR TWO ONE-YEAR EXTENSIONS (BID FILE 9095)

RECOMMENDATION

Staff recommends that Council authorize the Director of Public Utilities to execute a one-year requirements contract with provisions for two one-year extensions to Siemens Water Technologies Corporation in the amount of \$267,266.89 to remove and/or install Granular Activated Carbon.

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, routinely uses Granular Activated Carbon in the treatment of drinking water wells. The execution of a requirements contract with one supplier establishes a firm price, secured through competitive bidding, for a specified time, and allows the City to make purchases as needed. Staff recommends award of a one-year requirements contract with provisions for two one-year extensions to Siemens Water Technologies Corporation of Warrendale, PA in the amount of \$267,266.89. Funding for this project is included in the FY2010 budget and will be requested for the FY2011 budget.

BACKGROUND

The Water Division uses Granular Activated Carbon in the treatment of drinking water wells. The Division operates 23 treatment sites, which treat 25 wells contaminated with pesticides DBCP and EDB; two (2) wells contaminated with the cleaning solvent TCE, and one contaminated with PCE. The majority of these contaminated wells are located in Southeast Fresno, where their operation is critical to meeting the water demand in that area of the City. A requirements contract establishes firm pricing, secured through competitive bidding, for a specified time and allows the City to purchase Granular Activated Carbon as needed.

A requirements contract to remove and/or install Granular Activated Carbon (GAC) was structured with 8 sections (categories): Remove Spent GAC and Install Bituminous GAC; Remove Spent GAC and Install High Density Bituminous GAC; Remove Spent GAC and Install Lignite GAC; Remove Bituminous GAC Only; Remove Spent Lignite GAC Only; Install Bituminous GAC Only; Install Lignite GAC Only, and Install High Density Bituminous GAC Only. These specifications allow the City to award contracts for all categories, or award two or more contracts for one or more categories, whichever is in the best interest of the City.

A Notice Inviting Bids was published in the Business Journal on October 23, 2009, and posted on the City's web site. The specifications were distributed to twenty prospective bidders. Three sealed bid proposals were received and opened in a public bid opening on November 12, 2009. Bid proposal prices ranged from \$267,266.89 to \$273,492.99, with one non-responsive bid of \$131,139.53.

Siemens Water Technologies of Warrendale, PA, submitted the lowest bid price in the amount of \$267,266.89 and is considered the lowest responsive and responsible bidder.

Funding for this project is included in the FY2010 budget and will be requested for the FY2011 budget. The current contract pricing is 7.0% below the previous contract pricing.

Council may:

- 1) Award a contract in the amount of \$267,266.89 to Siemens Water Technologies, which will be in effect for one year from the date of the Notice to Proceed, with provisions for two one-year extensions, or
- 2) Council may reject all bids. If all bids are rejected, the requirements contract will be re-bid resulting in a delay of approximately sixty (60) days.

FISCAL IMPACT

The Water Division will encumber \$267,266.89 for the remainder of Fiscal Year 2010. Funding for this amount is included in appropriations within the Water Enterprise Fund.

Attachments:

- Fiscal Impact Statement
- Evaluation of Bid Proposals

EVALUATION OF BID PROPOSALS

FOR: REQUIRMENTS CONTRACT TO REMOVE AND/OR INSTALL GRANULAR ACTIVATED CARBON

Bid File No. 9095
Bid Opening: November 12,2009

BIDDERS		TOTAL NET BID AMOUNT	
1. Calgon Carbon Corporation 500 Calgon Carbon Drive Pittsburgh PA 15205	Total Bid Amount Section I		\$28,677.80
	Total Bid Amount Section II		\$33,346.75
	Total Bid Amount Section III		No Bid
	Total Bid Amount Section IV		\$24,967.80
	Total Bid Amount Section V		\$29,636.75
	Total Bid Amount Section VI		No Bid
	Total Bid Amount Section VII		\$3,710.00
	Total Bid Amount Section VIII		No Bid
	Total Bid Amount Sections I-VIII		\$131,139.53 (non-responsive)
2. Siemens Water Technologies Corporation 181 Thorn Hill Road Warrendale PA 15086	Total Bid Amount Section I		\$35,805.08
	Total Bid Amount Section II		\$54,287.83
	Total Bid Amount Section III		\$33,136.88
	Total Bid Amount Section IV		\$30,823.65
	Total Bid Amount Section V		\$49,306.40
	Total Bid Amount Section VI		\$28,335.45
	Total Bid Amount Section VII		\$9,981.43
	Total Bid Amount Section VIII		\$9,981.43
	Total Bid Amount Sections I-VIII		\$267,266.89
3. Carbon Activated Corporation 250 East Manville Street Compton CA 90220	Total Bid Amount Section I		\$35,643.30
	Total Bid Amount Section II		\$55,970.75
	Total Bid Amount Section III		\$31,660.75
	Total Bid Amount Section IV		\$35,442.55
	Total Bid Amount Section V		\$55,770.00
	Total Bid Amount Section VI		\$31,460.00
	Total Bid Amount Section VII		\$6,600.00
	Total Bid Amount Section VIII		\$6,600.00
	Total Bid Amount Sections I-VIII		\$273,492.99

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, December 9, 2009, 5:00 P.M.

The current contract pricing is 7 % below the previous contract pricing. If the overage is greater than 10% or only one bid was received, give explanation:

EVALUATION OF BID PROPOSALS

Page 2

FOR: REQUIRMENTS CONTRACT TO REMOVE AND/OR INSTALL GRANULAR ACTIVATED
CARBON

Bid File No. 9095
Bid Opening: November 12,2009

BACKGROUND OF PROJECT (To be completed by Evaluating Department/Division. Explain need for project/equipment):

Contract is for delivery, installation, removal and destruction or regeneration of granular activated carbon (GAC) used to remove pesticides and Volatile Organic Chemicals (VOC's), namely DBCP, EDB, PCE and TCE from drinking water. GAC Treatment is necessary in order for affected wells to remain in compliance with drinking water standards.

EVALUATION OF BID PROPOSALS

FOR: REQUIRMENTS CONTRACT TO REMOVE AND/OR INSTALL GRANULAR ACTIVATED CARBON

Bid File No. 9095
Bid Opening: November 12, 2009

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ 267,266.89 _____
to Siemens Water Technologies _____
as the lowest responsive and responsible bidder.

Remarks:

Reject all bids. Reason:

Department Head Approval

HM [Signature]
Title Assist. Dir. - Water Div Mgr
Date 12.18.2009

- Approve Dept. Recommendation Approve GSD/Purchasing Recommendation
- Disapprove Disapprove
- See Attachment

GENERAL SERVICES DEPARTMENT

CITY MANAGER

Jaron B. MacDonald 12/21/2009
Purchasing Manager Date

Kasperland 12/21/09
Director Date

[Signature] 12/23/09
City Manager or Designee Date

FISCAL IMPACT STATEMENT

PROGRAM: REQUIREMENTS CONTRACT TO REMOVE AND/OR INSTALL
GRANULAR ACTIVATED CARBON. Bid File No. 9095

<u>RECOMMENDATION</u>	<u>TOTAL OR CURRENT</u>	<u>ANNUALIZED COST</u>
Direct Cost	267,266.89__	630,983.21__
Indirect Cost	0__	0__
TOTAL COST	267,266.89__	630,983.21__
Additional Revenue or Savings Generated	_____	_____
Net City Cost	267,266.89__	630,983.21__
Amount Budgeted (If none budgeted, identify source)	630,983.21__	630,983.21__

The Water Division will encumber \$586,703.78 for the remainder of Fiscal year 2010.
Funding for this amount is included in appropriations within the Water Enterprise
Fund