



AGENDA MEMORANDUM
Action Item for the City Council Meeting January 11, 2022

DATE: January 11, 2022
TO: Peter Zanoni, City Manager
FROM: Josh Chronley, Assistant Director of Finance-Procurement
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Supply Agreement for Calcium Hypochlorite

CAPTION:

Motion authorizing a one-year supply agreement with two one-year option periods, in an amount not to exceed \$87,577.00 and a potential amount not to exceed \$262,731.00 if option periods are exercised, for calcium hypochlorite for the City Warehouse with Chemrite, Inc., of Buford, Georgia, with FY 2022 funding in the amount of \$58,384.67 available in the Stores Fund.

SUMMARY:

This motion authorizes a one-year supply agreement, with two one-year option periods, for the purchase of calcium hypochlorite to be stocked by the City Warehouse to distribute to various City departments.

BACKGROUND AND FINDINGS:

Calcium hypochlorite is used by various departments. Wastewater treatment plants and O.N. Stevens Water Treatment Plant use this product to clean storage tanks and filter cleaning and Parks and Recreation Aquatic Division utilizes this product to clean and disinfect area public pools.

PROCUREMENT DETAIL:

The Procurement Division conducted a Request for Bid process to obtain bids to establish a new one-year supply agreement with two additional one-year options. The City received one bid and is recommending the award to Chemrite, Inc. of Buford, Georgia. The incumbent, Chemrite, Inc. of Buford, Georgia, had a three-year contract that expired on July 15, 2021. This was a re-bid due to a previous bidder pulling their bid due to price increase from their supplier and shortage of the product. Prices of calcium hypochlorite have fluctuated, and the price increase for the new

contract per 5-gallon container has increased by 133% and increased by 49% for a 100 lb. pail from year 2018.

ALTERNATIVES:

An alternative to accepting this bid would be for the City Warehouse to continue purchasing these items on an as needed basis, with the possibility of an increased cost per item due to variable market conditions and changes to specific calcium hypochlorite bought frequently.

FISCAL IMPACT:

The fiscal impact for Finance Department in FY 2022 is approximately \$58,384.67. The remaining costs of \$29,192.33 will be budgeted through the annual budget process.

FUNDING DETAIL:

Fund:	5010	Stores
Organization/Activity:	40000	Warehouse Stores
Mission Element:	185	Centralized Purchasing System
Project # (CIP Only):	N/A	
Account:	520210	Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this motion authorizing a one-year supply agreement, with two one-year option periods with Chemrite, Inc., of Buford, Georgia for the City Warehouse as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement