



AGENDA MEMORANDUM

Action Item for the City Council Meeting November 10, 2020

DATE: November 10, 2020

TO: Peter Zaroni, City Manager

FROM: Kevin Norton, Director of Water Utilities
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Supply Agreement for Hach Instruments, Consumables, and Chemistries for the Utilities Department

CAPTION

Resolution authorizing a five-year supply agreement with Hach Company for the Utilities Department for a total amount not to exceed \$3,100,000.00 for the purchase of instruments, consumables, and chemistries, effective upon issuance of notice to proceed, with FY 2021 funding in an estimated amount of \$310,000.00 for the Water Division of the Utilities Department available in the Water Fund and an estimated amount of \$310,000.00 for the Wastewater Division of the Utilities Department available in the Wastewater Fund.

SUMMARY:

This resolution authorizes a supply agreement for the purchase of Hach instruments, consumables and chemistries to be ordered on an as needed basis.

BACKGROUND AND FINDINGS:

The O.N. Stevens Water Treatment Plant (ONSWTP) and the six Wastewater Treatment Plants utilize instruments, consumables, and chemistries from Hach. Hach instruments are used to measure water quality parameters. The Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA) regulate parameters that water and wastewater facilities are required to analyze. It is vital for water and wastewater quality to be monitored in order to stay in compliance with TCEQ and EPA regulations.

These are sole source purchases. Hach Company is the sole manufacturer of Hach instruments. The O.N. Stevens Water Treatment Plant, Water Quality, and Water Utilities Lab currently utilize Hach instruments, consumables, and chemistries that are worth over \$800,000. The Water and Wastewater Divisions are each receiving a negotiated 10% discount off the list price on Hach Instruments, consumables and chemistries, which is twice the standard bulk discount of 5%. The Wastewater Division will also receive a negotiated 25% discount off the list price from Sigma Sampler instruments, consumables and chemistries, which exceeds the standard 15% bulk discount for these items.

ALTERNATIVES:

An alternative would be to process sole source documents for each Hach purchase. This process would result in a longer lead time instead of receiving supplies in a timely manner.

FISCAL IMPACT:

The fiscal impact for the Utilities Department in FY2021 is \$620,000.00. The remaining cost in an amount of \$2,480,000.00 will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund: 4010 Water Fund
Organization/Activity: 31010 O.N. Stevens Water Treatment Plant
Mission Element: 062 Treat Water
Project # (CIP Only): N/A
Accounts: 530215 Maintenance & repairs – Contracted
Cost: \$210,000.00

Fund: 4010 Water Fund
Organization/Activity: 31501 Water Quality
Mission Element: 063 Provide Water Quality Monitoring
Project # (CIP Only): N/A
Accounts: 530215 Maintenance & repairs – Contracted
Cost: \$50,000.00

Fund: 4010 Water Fund
Organization/Activity: 31700 Water Utilities Laboratory
Mission Element: 063 Provide Water Quality Monitoring
Project # (CIP Only): N/A
Accounts: 530215 Maintenance & repairs – Contracted
Cost: \$50,000.00

Fund: 4200 Wastewater
Organization/Activity: 33100 Broadway Wastewater Plant
Mission Element: 064 Treat Wastewater
Project # (CIP Only): N/A
Account: 530215 Maintenance & repairs – Contracted
Cost: \$60,000.00

Fund: 4200 Wastewater
Organization/Activity: 33110 Oso Wastewater Plant
Mission Element: 064 Treat Wastewater
Project # (CIP Only): N/A
Account: 530215 Maintenance & repairs – Contracted
Cost: \$50,000.00

Fund: 4200 Wastewater
Organization/Activity: 33120 Greenwood Wastewater Plant
Mission Element: 064 Treat Wastewater
Project # (CIP Only): N/A
Account: 530215 Maintenance & repairs – Contracted
Cost: \$50,000.00

Fund: 4200 Wastewater
Organization/Activity: 33130 Allison Wastewater Plant
Mission Element: 064 Treat Wastewater
Project # (CIP Only): N/A
Account: 530215 Maintenance & repairs – Contracted
Cost: \$50,000.00

Fund: 4200 Wastewater
Organization/Activity: 33140 Laguna Madre Wastewater Plant
Mission Element: 064 Treat Wastewater
Project # (CIP Only): N/A
Account: 530215 Maintenance & repairs – Contracted
Cost: \$50,000.00

Fund: 4200 Wastewater
Organization/Activity: 33150 Whitecap Wastewater Plant
Mission Element: 064 Treat Wastewater
Project # (CIP Only): N/A
Account: 530215 Maintenance & repairs – Contracted
Cost: \$50,000.00

RECOMMENDATION:

Staff recommends approval of the resolution authorizing a five-year supply agreement with Hach Company for the purchase of instruments, consumables and chemistries as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Supply Agreement