



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 17, 2017
Action Item for the City Council Meeting of January 24, 2017

DATE: January 17, 2017

TO: Margie C. Rose, City Manager

FROM: Dan Grimsbo, Interim Director of Utilities
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Supply Agreement for Liquid Caustic Soda Solution

CAPTION:

Resolution rejecting all initial bids submitted for the purchase of liquid caustic soda (“chemical”); finding that the purchase of the chemical is necessary to preserve and protect the public health and safety of the City’s residents; obtaining pricing through competitive solicitation; and authorizing the City Manager or designee to execute a one-year supply contract for the chemical with Univar of Kent, Washington, in an amount not to exceed \$1,362,882.00, of which an estimated expenditure of \$908,588.00 in FY2016-2017 is funded by the Water Fund, and includes up to four one-year renewals.

PURPOSE:

The O.N. Stevens Department uses Liquid Caustic Soda, also known as sodium hydroxide aqueous to adjust the pH of the water treated.

BACKGROUND AND FINDINGS:

Liquid caustic soda solution, also known as sodium hydroxide aqueous solution is currently utilized at the O. N. Stevens Water Treatment Plant for pH adjustment of the final filter effluent to raise the pH of the water. By raising the pH, a more stable environment is created for monochloramine residuals, and the higher pH also keeps City water from being corrosive to the distribution piping system.

The City received three bids and three no bids for the purchase of the chemical under RFB 185; however there were anomalies in the bids from all bidders that would prevent the City from making a successful award that was in the best interest of the City. In order

to protect the health and safety of the City's residents, the City issued a post bid addendum 185A to allow all six participating bidders an opportunity to rebid the work, and a revised specification and instructions were issued. The City received three responsive bids from the original participating bidders and is recommending the award to the lowest, responsive, responsible bidder, Univar of Kent, Washington in an amount not to exceed \$1,362,882

ALTERNATIVES:

None

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Utilities Department

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget	\$5,216,252.15	\$454,294.00	\$5,670,546.15
Encumbered / Expended Amount	\$3,239,587.23	\$0.00	\$3,239,587.23
This item	\$908,588.00	\$454,294.00	\$1,362,882.00
BALANCE	\$1,068,076.92	\$0.00	\$1,068,076.92

Fund(s): Water

Comments: The initial contract term is a total amount not to exceed \$1,362,882, with an estimated expenditure of \$908,588 to be funded in FY2016-2017. The total estimated contract value will be \$6,814,410 if all options years are executed.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Resolution
Supply Agreement