



AGENDA MEMORANDUM

Future Item for the City Council Meeting of June 14, 2016
Action Item for the City Council Meeting of June 21, 2016

DATE: June 14, 2016

TO: Margie C. Rose, Acting City Manager

FROM: Dan Grimsbo, Interim Assistant Director Utilities
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Sodium Permanganate Supply Agreement

CAPTION:

Motion approving a Supply Agreement with Carus Corporation, Peru, Illinois, for approximately 720,000 wet pounds of Sodium Permanganate in accordance with Bid Invitation No. 118, based on the lowest, responsive and responsible bid for a not to exceed amount of \$878,400.00 of which \$219,600.00 is required for the remainder of FY 2015-2016. The term of the agreement shall be for one year with an option to extend for up to two one year terms, subject to the approval of the supplier and the City Manager or designee. Funds have been budgeted by the Water Department in FY 2015-2016.

PURPOSE:

Sodium Permanganate is a chemical used for the treatment of potable drinking water at the O.N. Stevens Water Treatment Plant. This chemical helps to treat the algae that are incoming on the source waters and also present in the pre-sedimentation basin.

BACKGROUND AND FINDINGS:

Sodium Permanganate was not on a previous contract. Due to an outbreak of algae on the pre-sedimentation basin and source waters, the O.N. Stevens Water Treatment Plant began feeding Sodium Permanganate for control. The City is currently purchasing product under an emergency purchase order.

ALTERNATIVES:

Without the use of this chemical the treated water has the potential to have algae present in the distribution system. This could result in loss of chlorine residuals and promote bacterial growth through the distribution system.

OTHER CONSIDERATIONS:

None.

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:

Water Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$4,793,426.02	\$658,800.00	\$5,452,226.02
Encumbered / Expended Amount		\$2,844,158.96	\$0	\$2,844,158.96
This item		\$219,600.00	\$658,800.00	\$878,400.00
BALANCE		\$1,729,667.06	\$0	\$1,729,667.06

Fund(s): Water Fund

Comments: The \$219,600.00 financial impact shown above represents three months of expenditures that will be encumbered through the end of this fiscal year. The remaining \$658,800.00 for the last nine months of the agreement will be requested during the normal FY 2016-2017 budget approval process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement