



AGENDA MEMORANDUM

Future Item for the City Council Meeting of April 9, 2013
Action Item for the City Council Meeting of April 23, 2013

DATE: April 9, 2013

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Ferrous Sulfate

CAPTION:

Motion approving a supply agreement with Pencco, Inc., San Felipe, Texas for approximately 300,000 gallons of ferrous sulfate in accordance with Bid Invitation No. BI-0124-13 based on lowest responsible bid for an estimated twelve month expenditure of \$308,200 of which \$102,733.33 is required for FY 2012-2013. The term of the supply agreement will be for twelve months with an option to extend for up to two additional twelve-month periods subject to the approval of the supplier and the City Manager or designee. Funds are available in the Wastewater Operations Budget in FY2012-2013.

PURPOSE:

This chemical will be used by the Wastewater Department for odor control at sixteen (16) treatment locations.

BACKGROUND AND FINDINGS:

Historically, the City has received limited bids for this chemical. Included with the supply of chemical are holding tanks and chemical feed injectors. Additionally, the supplier performs testing and analysis of the performance of the chemical and reports these findings to the Wastewater Department. These requirements limit the pool of qualified suppliers of this chemical.

ALTERNATIVES:

Not applicable.

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and Texas State procurement laws.

EMERGENCY / NON-EMERGENCY:

Non-Emergency.

DEPARTMENTAL CLEARANCES:

Wastewater Department

FINANCIAL IMPACT:

X Operating

☐ Revenue

☐ Capital

☐ Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$1,636,260.06	\$205,466.67	\$1,841,726.73
Encumbered / Expended Amount		\$716,285.69		\$716,285.69
This item		\$102,733.33	\$205,466.67	\$308,200.00
BALANCE		\$817,241.04		\$817,241.04

Fund(s): Wastewater Operation Budget

Comments:

The \$102,733.33 financial impact shown above represents four months of expenditures that will be encumbered through the end of this fiscal year. The remaining \$205,466.67 will be requested during the normal FY 2013-2014 budget approval process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation.