



AGENDA MEMORANDUM

Future Item for the City Council Meeting of March 21, 2017
Action Item for the City Council Meeting of March 28, 2017

DATE: March 21, 2017

TO: Margie C. Rose, City Manager

FROM: Dan Grimsbo, Interim Executive Director of Utilities
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Supply Agreement for Ferrous Sulfate for Wastewater Plants

CAPTION:

Motion authorizing City Manager, or designee, to execute a supply agreement with Pencco, Inc., of San Felipe, Texas for the purchase of Ferrous Sulfate ("chemical") in response to Request for Bid No. 1020 based on the lowest, responsive, responsible bid for a total amount not to exceed \$290,250.00, with an estimated expenditure of \$145,125.00 in FY2016-2017 and funded by the Wastewater Fund. The term of the agreement is for one year with an option to extend for up to four additional one year periods, subject to the sole discretion of the City.

PURPOSE:

This item is to approve a supply agreement for Ferrous Sulfate for Wastewater Plants.

BACKGROUND AND FINDINGS:

Ferrous Sulfate is used for industrial and sanitary wastewater treatment applications, due to its high efficiency, effectiveness in clarification, and utility as a sludge dewatering agent. However, the chemical is primarily used for odor control at the lift stations and throughout the collection system.

In January of 2017, the Purchasing Division conducted a competitive Request for Bid process to obtain bids for a new contract. The City received one responsive, responsible bid and one no bid, out of 38 notifications issued, and is recommending the award to the lowest, responsive, responsible bidder, Pencco, Inc., of San Felipe, Texas.

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 – Wastewater

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget	\$2,607,381.03	\$145,125.00	\$2,752,506.03
Encumbered / Expended Amount	\$1,721,185.60	\$0.00	\$1,721,185.60
This item	\$145,125.00	\$145,125.00	\$290,250.00
BALANCE	\$741,070.43	\$0.00	\$741,070.43

Fund(s): Wastewater

Comments:

The initial contract term total is \$290,250.00, of which \$145,125.00 will be funded in FY2016-17. The total estimated contract value will be \$1,451,250.00 if all options years are executed.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
Bid Tabulation