



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 8, 2017
Action Item for the City Council Meeting of August 15, 2017

DATE: August 8, 2017

TO: Margie C. Rose, City Manager

FROM: Dan Grimsbo, Executive Director of Utilities
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<p>Supply Agreement for Hydrofluorosilicic Acid for Water Treatment for the O.N. Stevens Water Treatment Plant</p>

CAPTION:

Motion authorizing the City Manager, or designee, to execute a supply agreement with Pencco, Inc. of San Felipe, Texas for the purchase of hydrofluorosilicic acid in response to Request for Bid (RFB) No. 1106 based on the lowest, responsive, responsible bid for a total amount not to exceed \$182,250.00, with an estimated expenditure of \$30,375.00 in FY2016-2017 funded by the Water Fund. The term of the agreement is for one year with an option to extend for up to two additional one-year periods, subject to the sole discretion of the City.

PURPOSE:

This item is to approve a supply agreement for hydrofluorosilicic acid for the O.N. Stevens Water Treatment Plant.

BACKGROUND AND FINDINGS:

The product hydrofluorosilicic acid will be used in the treatment of potable (drinking) water to reduce the incidence of dental caries (tooth decay). The Hydrofluorosilicic Acid will be fed by means of a liquid feeding system. Commercial strength hydrofluorosilicic acid has a typical strength of 25 percent acid content, and is produced as a co-product in the manufacture of wet-process phosphoric acid and other phosphate fertilizers.

The Purchasing Division conducted a competitive RFB process to obtain bids for a new contract. The City received two responsive, responsible bids, two non-responsive bids one no bid out of 34 notifications issued, and is recommending the award to the lowest, responsive, responsible bidder, Pencco, Inc.

ALTERNATIVES:

No feasible alternatives

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State Statutes regulating procurements.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Utilities-Water

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget	\$5,516,252.15	\$151,875.00	\$5,668,127.15
Encumbered / Expended Amount	\$4,457,214.84	\$0.00	\$4,457,214.84
This item	\$30,375.00	\$151,875.00	\$182,250.00
BALANCE	\$1,028,662.31	\$0.00	\$1,028,662.31

Fund(s): Water Fund

Comments: The initial contract term total is \$182,250.00, of which \$30,375.00 is funded in FY2016-17. The total estimated contract value will be \$546,750.00 if all option years are executed.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
Bid Tabulation