



AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 24, 2017
Action Item for the City Council Meeting of October 31, 2017

DATE: October 24, 2017

TO: Margie C. Rose, City Manager

FROM: Dan Grimsbo, Executive Director of Utilities

DanG@cctexas.com

(361) 826-1718

Kim Baker, Assistant Director of Financial Services-Purchasing Division

Kimb2@cctexas.com

(361) 826-3169

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| <p>Supply Agreement for Sodium Permanganate Solution for the O.N. Stevens Water Treatment Plant for Two Years at \$3,407,859.00, With Two Additional Two-year Options and a Total Potential Multi-Year Amount of \$10,223,577.00</p> |
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CAPTION:

Motion authorizing City Manager, or designee, to execute a supply agreement with Carus Corporation, of Peru, Illinois for the purchase of sodium permanganate solution in response to Request for Bid (RFB) No. 1266, based on the lowest responsive, responsible bid, for a total amount not to exceed \$3,407,859.00, with an estimated expenditure of \$1,561,935.38 FY2017-18 funded by the Water Fund. The term of the agreement is for two years with an option to extend for two additional two-year periods, subject to the sole discretion of the City, with a total potential multi-year amount of \$10,223,577.00.

PURPOSE:

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

BACKGROUND AND FINDINGS:

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 is incoming in the source waters and also present in the pre-sedimentation basin.

Due to an outbreak of algae on the pre-sedimentation basin and source waters, the O.N. Stevens Water Treatment Plant began utilizing Sodium Permanganate for algae control. This started in early 2016 and has continued due to the hot weather in the summer and winter months.

Without the use of this chemical, the treated water has the potential to have algae present in the distribution system. This would result in taste and odor complaints as well as green tint to the water, which could result in loss of chlorine residuals and promote bacterial growth through the distribution system.

The Purchasing Division conducted a competitive RFB process to obtain bids for a new contract. The City received two responsive, responsible bids, and is recommending the award to the lowest responsive, responsible bidder, Carus Corporation.

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 Department – Water

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

| Fiscal Year: 2017-2018 | Current Year | Future Years | TOTALS |
|-----------------------------------|---------------------|---------------------|-----------------|
| Line Item Budget | \$6,806,762.00 | \$8,661,641.62 | \$15,468,403.62 |
| Encumbered / Expended Amount | \$0 | \$0 | \$0 |
| This item | \$1,561,935.38 | \$8,661,641.62 | \$10,223,577.00 |
| BALANCE | \$5,244,826.62 | \$0 | \$5,244,826.62 |

Fund(s): Water

Comments:

The initial contract term total is \$3,407,859.00 of which \$1,561,935.38 is funded in FY2017-18. If all options are exercised the total contract value will be \$10,223,577.00.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
Bid Tabulation