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**Title:** Reject all bids for the requirements contract for bulk liquid oxygen - Bid File 9308 (Citywide)

**Sponsors:** Department of Public Utilities

**Indexes:**

**Code sections:**

**Attachments:** 1. Bid Evaluation 9308.pdf

Date	Ver.	Action By	Action	Result
2/26/2015	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**February 26, 2015**

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**SUBJECT**

Reject all bids for the requirements contract for bulk liquid oxygen - Bid File 9308 (Citywide)

**RECOMMENDATION**

Staff recommends City Council reject all bids received for the requirements contract for bulk liquid oxygen.

**EXECUTIVE SUMMARY**

The Department of Public Utilities - Water Division, solicited bids to establish a requirements contract

for bulk liquid oxygen. Bulk liquid oxygen is used by the Surface Water Treatment Facility (SWTF) to generate ozone, which is used as its primary disinfectant. There were three bids received. All three bids included exceptions that were either material in terms or would materially alter the terms of the contract and therefore are considered to be non-responsive. Purchasing is prepared to rebid upon City Council's consideration of the staff recommendation to reject all bids received for the bulk liquid oxygen requirements contract.

## **BACKGROUND**

The SWTF produces up to 30 million gallons of drinking water per day. The California Department of Health regulations require that the water be disinfected to protect the public against viruses and bacteria. Ozone is used as a primary disinfectant. Bulk liquid oxygen is utilized on-site to generate ozone. Without bulk liquid oxygen, ozone cannot be produced and consequently the SWTF will not be able to produce potable drinking water.

A Notice Inviting Bids was published on August 15, 2014, per the City of Fresno Charter Section 1208. Ten Building Exchanges were faxed Notice Inviting Bids, and 15 specifications were distributed to prospective bidders. The bid opening was on September 23, 2014, and three bids were received ranging from \$139,090 to \$173,090. Purchasing is prepared too immediately rebid upon Council's consideration of the staff recommendation to reject all bids received for the requirements contract for bulk liquid oxygen. The Notice of Staff Determination of Contract Award was posted on the City's website on January 15, 2015.

## **ENVIRONMENTAL FINDINGS**

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 the award of this contract does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

## **LOCAL PREFERENCE**

Local preference did not affect the award of this requirements contract since none of the bidders qualify for the local business preference according to the Fresno Municipal Code Section 4-108(a) in that the bid amount did not exceed the \$500,000 threshold.

## **FISCAL IMPACT**

As the recommendation is for rejection of all bids, there is no fiscal impact.

Attachment: Bid Evaluation