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Title: Award a Requirements Contract to Chemtrade Chemicals, US, LLC., of Parsippany, New Jersey in the amount of \$1,204,500 for Bulk Aluminum Sulfate, for a term of one-year with the possibility of two one-year extensions. Bid File 9478 (Citywide)

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. 2019-10-17 Attachment 1 - Bid Evaluation and Fiscal Impact Statement.pdf, 2. 2019-01-17 Attachment 2 - Sample Contract.pdf

Date	Ver.	Action By	Action	Result
1/17/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

January 17, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: BUD TICKEL, Assistant Director
Department of Public Utilities, Water Division

BY: RUSSELL B. GUILLIAMS, Chief of Water Operations
Department of Public Utilities, Water Division

SUBJECT

Award a Requirements Contract to Chemtrade Chemicals, US, LLC., of Parsippany, New Jersey in the amount of \$1,204,500 for Bulk Aluminum Sulfate, for a term of one-year with the possibility of two one-year extensions. Bid File 9478 (Citywide)

RECOMMENDATION

Staff recommends that Council award a one-year requirements contract with provisions for two one-year extensions to Chemtrade Chemicals, US, LLC., of Parsippany, New Jersey, in the amount of \$1,204,500 to provide for bulk aluminum sulfate, the primary coagulant chemical at the Surface Water Treatment Facilities (SWTFs), and authorize the City Manager, or designee, to sign agreement on behalf of the City.

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, routinely uses bulk aluminum sulfate for water treatment at the SWTFs, including the Northeast Water Treatment Facility, the Southeast Water Treatment Facility, and T-3 Water Storage and Package Surface Water Treatment Facility. The execution of a requirements contract with one supplier establishes a firm price, secured through competitive bidding, for a specified time and allows the City to make purchases as needed. Staff recommends award of a one-year requirements contract with provisions for two one-year extensions to Chemtrade Chemicals, US, LLC., in the amount of \$1,204,500. Funding for this contract is included in the FY19 budget.

BACKGROUND

Aluminum Sulfate is used as a coagulating agent at the three surface water treatment facilities as the first step in the purification of raw water in order to meet the State of California's drinking water requirements. When added to water, it causes suspended microscopic impurities to clump together into larger particles. These clumps of impurities will then settle to the bottom of the basin to be filtered out more easily.

A Notice Inviting Bids was published on October 5, 2018, per the City of Fresno Charter Section 1208. Ten Building Exchanges were faxed Notice Inviting Bids, and eight specifications were distributed to proposed bidders. The bid opening was October 23, 2018, and two bids were received ranging from \$1,204,500 to \$1,277,500.

Chemtrade Chemicals, US, LLC., of Parsippany, New Jersey, submitted the lowest bid price in the amount of \$1,204,500 and is considered the lowest responsive and responsible bidder. City Attorney has reviewed and approved to form.

ENVIRONMENTAL FINDINGS

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

LOCAL PREFERENCE

Local preference was not applied because none of the bidders were local businesses.

FISCAL IMPACT

The General Fund is not impacted by this citywide expenditure, as the appropriations for the purchase of Bulk Aluminum Sulfate are included in FY2019 Water Enterprise Fund operating budget.

Attachments:

Bid Evaluation and Fiscal Impact Statement (Attachment 1)

Sample Contract (Attachment 2)