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Title: Award a Requirements Contract to Univar USA, Inc., of Kent, Washington in the amount of \$543,222.22 for Sodium Hypochlorite, for a term of three years with the possibility of two one-year extensions Bid File 9487 (Citywide)

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. 2019-02-14 Attachment 1 Evaluation RC Sodium Hypochlorite BF 9487.pdf, 2. 2019-02-14 Attachment 2 Sample Contract - RC Sodium Hypochlorite BF 9487.pdf

Date	Ver.	Action By	Action	Result
2/14/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

February 14, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

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

SUBJECT

Award a Requirements Contract to Univar USA, Inc., of Kent, Washington in the amount of \$543,222.22 for Sodium Hypochlorite, for a term of three years with the possibility of two one-year extensions Bid File 9487 (Citywide)

RECOMMENDATION

Staff recommends that Council award a three year requirements contract with provisions for two one-year extensions to Univar USA, Inc., of Kent, Washington, in the amount of \$543,222.22 for Sodium Hypochlorite, which is required by federal and state drinking water regulations to maintain a chlorine residual in the distribution system greater than 0.2 mg/L at all times for corrosion prevention at the Northeast, Southeast and T3 surface water treatment facilities (SWTFs) as well as all of the well sites, and authorize the Director of Public Utilities or designee to sign agreement on behalf of the City.

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, routinely uses Sodium Hypochlorite for water treatment at the SWTFs and all well sites. 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 three year requirements contract with provisions for two one-year extensions to Univar USA, Inc., in the amount of \$543,222.22. Funding for this contract is included in the FY19 budget.

BACKGROUND

The City is required by federal and state drinking water regulations to maintain a chlorine residual in the distribution system greater than 0.2 mg/L at all times. Sodium hypochlorite is dosed at the discharge of the SWTFs as well as all of the well sites. Newer corrosion strategy calls for an increased dosage from 1.0 milligram/liter (mg/l) to 1.5 mg/l. which results in an approximate 50% increase in cost.

A Notice Inviting Bids was published on November 2, 2018, per the City of Fresno Charter Section 1208. Ten Building Exchanges were faxed Notice Inviting Bids, and ten specifications were distributed to proposed bidders. The bid opening was November 27, 2018, and one bid was received in the amount of \$543,222.22.

Univar USA, Inc., was the sole and only bidder in the amount of \$543,222.22 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 Sodium hypochlorite are included in FY2019 Water Enterprise Fund operating budget.

Attachments:

Bid Evaluation and Fiscal Impact Statement (Attachment 1)

Sample Contract (Attachment 2)