# Legislation Details (With Text)

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| **Title:** | Award a three-year Product Requirements Contract: Rebid of Bulk Calcium Hydroxide to Univar USA Inc., in an amount not to exceed $1,503,713.83 per year, with provision for up to two one-year extensions (Bid File 9493) (Citywide) | | | | |
| **Sponsors:** | Department of Public Utilities | | | | |
| **Indexes:** | | | | | |
| **Code sections:** | | | | | |
| **Attachments:** | 1. Attachment 1 - Bid Evaluation and Fiscal Impact Statement.pdf, 2. Attachment 2 - Sample Contract.pdf | | | | |

| Date | Ver. | Action By | Action | Result |
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| 6/13/2019 | 1 | City Council | approved | Pass |

## REPORT TO THE CITY COUNCIL

**June 13, 2019**

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## SUBJECT

Award a three-year Product Requirements Contract: Rebid of Bulk Calcium Hydroxide to Univar USA Inc., in an amount not to exceed $1,503,713.83 per year, with provision for up to two one-year extensions (Bid File 9493) (Citywide)

## RECOMMENDATION

Staff recommends that City Council award a three-year Product Requirements Contract: Rebid of Bulk Calcium Hydroxide (Project) to Univar USA Inc., in an amount not to exceed $1,503,713.83 per

year with provision for up to two one-year extensions for delivery of bulk calcium hydroxide to the City of Fresno's (City's) surface water treatment facilities.

## EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division is seeking to award a three-year Product Requirements Contract for the Project to Univar USA Inc., in the amount not to exceed $1,503,713.83 per year with provisions for up to two one-year extensions. The not to exceed amount for the three-year Product Requirements Contract is $4,511,140.89. Calcium hydroxide is used in the post-treatment process for corrosion control in the distribution system. The Northeast Surface Water Treatment Facility and the Southeast Surface Water Treatment Facility add calcium hydroxide after the treatment and disinfection of potable water. The contract is for three years with provisions for up to two one-year extensions.

## BACKGROUND

The Department of Public Utilities, Water Division injects calcium hydroxide as part of the treatment of raw surface water at the City's surface water treatment facilities. It is considered to be an effective enhancement chemical treatment for City's water supply by adding calcium along with carbon dioxide. Calcium hydroxide adjusts the pH of the treated water in the distribution system and end-users' facilities (homes and businesses, etc.), thereby controlling the corrosive quality of the treated water on water mains, pipes, and appurtenance. Use of calcium hydroxide is a requirement by the State Regional Water Quality Control Board and the water treatment permit that allows the City to produce and distribute potable water to its customers.

The Department of Public Utilities, Water Division originally went out to bid for the Requirements Contract for Bulk Calcium Hydroxide, Bid File 9454, on April 23, 2018. The specifications were distributed to fifteen prospective bidders and ten Builder Exchanges. Two sealed bid proposals were received and publicly opened on May 22, 2018. The bid proposals were $1,428,995.14 and $1,839,947.98. Both bids included exceptions that were either material in terms or would materially alter the terms of the contract and therefore were considered to be non-responsive. The Notice of Staff Determination was posted on the City's Planet Bids website on September 10, 2018. City Council rejected all bids for that Requirements Contract for Bulk Calcium Hydroxide on September 27, 2018.

Specifications were prepared for this Project. A Notice Inviting Bids was published on March 6, 2019, and posted on the City's Planet Bids website. The specifications were distributed to six prospective bidders and nine Builder Exchanges. Two sealed bid proposals were received and publicly opened on April 2, 2019. The bid proposals were $1,457,014.65 and $1,503,713.83. The bid will expire within 90 days of bid opening, on July 2, 2019.

Univar USA Inc., was found to be the lowest responsive and responsible bidder with a bid amount of $1,503,713.83. The Staff determination was posted on the City's Planet Bids website on May 7, 2019. Staff recommends that City Council award a three-year Product Requirements Contract to Univar USA Inc., in an amount not to exceed $1,503,713.83 per year, with provision for up to two one-year extensions.

## ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the award of this contract is not a “project” as defined by CEQA.

## LOCAL PREFERENCE

Local preference was applied to the bid submitted by Univar USA Inc., pursuant to the Fresno Municipal code Section 4-108. Univar USA Inc., is a local business, with offices in Fresno, California. The other bidder, Lhoist North America, is not a local business, with offices in Henderson, Nevada. The adjusted bid amounts are $1,503,713.84 per year for Univar USA Inc., and $1,529,865.39 per year for Lhoist North America.

## FISCAL IMPACT

There is no impact to the General Fund. This Project is Citywide. Funds for this Project are budgeted in the Fiscal Year 2019 Water Enterprise Fund 40101, and future purchases will be included in future fiscal year budgets.

Attachments:
Attachment 1 - Bid Evaluation and Fiscal Impact Statement
Attachment 2 - Sample Contract