



## Legislation Details (With Text)

**File #:** ID 20-001614 **Version:** 1 **Name:**

**Type:** Action Item **Status:** Agenda Ready

**File created:** 11/20/2020 **In control:** City Council

**On agenda:** 12/10/2020 **Final action:** 12/10/2020

**Title:** Actions pertaining to Liquefied Carbon Dioxide (CO2) used in the post-treatment process for corrosion control in the distribution system:

1. Reject all bids for the Requirements Contract for Liquefied Carbon Dioxide - Bid File 9558 (Citywide)
2. Adopt a finding that awarding a contract to Air Liquide Industrial U.S. LP, in an amount not to exceed \$200,000 for the purchase of bulk liquefied carbon dioxide is exempt from the California Environmental Quality Act (CEQA) pursuant to the common sense exemption that it can be seen with certainty that there is no possibility that the proposed agreement may have a significant effect on the environment pursuant to CEQA Guidelines Section 15061(b)(3);
3. \*\*\*RESOLUTION - Declaring an urgent necessity for the preservation of life, health, property; and authorizing the Purchasing Manager of the Finance Department or designee to contract with Air Liquide Industrial U.S. LP without advertised competitive bidding for the purchase and delivery of bulk carbon dioxide used for surface water treatment in an amount not to exceed \$200,000 (Requires 5 votes)(Subject to Mayor's Veto)
4. Award a contract to Air Liquide Industrial U.S. LP, in an amount not to exceed \$200,000

**Sponsors:** Department of Public Utilities

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 1 - Bid Eval 9558.pdf, 2. Attachment 2 - Resolution.pdf

Date	Ver.	Action By	Action	Result
12/10/2020	1	City Council	adopted	

## REPORT TO THE CITY COUNCIL

**December 10, 2020**

**FROM:** MICHAEL CARBAJAL, Director  
Department of Public Utilities

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

**BY:** MARTIN WENDELS, Project Manager  
Department of Public Utilities - Water Division

## SUBJECT

Actions pertaining to Liquefied Carbon Dioxide (CO2) used in the post-treatment process for

corrosion control in the distribution system:

1. Reject all bids for the Requirements Contract for Liquefied Carbon Dioxide - Bid File 9558 (Citywide)
2. Adopt a finding that awarding a contract to Air Liquide Industrial U.S. LP, in an amount not to exceed \$200,000 for the purchase of bulk liquefied carbon dioxide is exempt from the California Environmental Quality Act (CEQA) pursuant to the common sense exemption that it can be seen with certainty that there is no possibility that the proposed agreement may have a significant effect on the environment pursuant to CEQA Guidelines Section 15061(b)(3);
3. \*\*\*RESOLUTION - Declaring an urgent necessity for the preservation of life, health, property; and authorizing the Purchasing Manager of the Finance Department or designee to contract with Air Liquide Industrial U.S. LP without advertised competitive bidding for the purchase and delivery of bulk carbon dioxide used for surface water treatment in an amount not to exceed \$200,000 (Requires 5 votes)(Subject to Mayor's Veto)
4. Award a contract to Air Liquide Industrial U.S. LP, in an amount not to exceed \$200,000

## RECOMMENDATION

Staff recommends that the City Council:

1. Reject all bids for the Requirements Contract for Liquefied Carbon Dioxide - Bid File 9558 (Citywide)
2. Adopt a finding that awarding a contract to Air Liquide Industrial U.S. LP, in an amount not to exceed \$200,000 for the purchase of bulk liquefied carbon dioxide is exempt from the California Environmental Quality Act (CEQA) pursuant to the common sense exemption that it can be seen with certainty that there is no possibility that the proposed agreement may have a significant effect on the environment pursuant to CEQA Guidelines Section 15061(b) (3)
3. RESOLUTION - Declaring an urgent necessity for the preservation of life, health, property; and authorizing the Purchasing Manager of the Finance Department or designee to contract with Air Liquide Industrial U.S. LP without advertised competitive bidding for the purchase and delivery of bulk carbon dioxide used for surface water treatment in an amount not to exceed \$200,000 (Requires 5 votes)
4. Award a contract to Air Liquide Industrial U.S. LP for the purchase and delivery of liquefied carbon dioxide, in an amount not to exceed \$200,000.

## EXECUTIVE SUMMARY

Liquefied Carbon Dioxide (CO<sub>2</sub>) is used in the post-treatment process for corrosion control in the distribution system. The Northeast Surface Water Treatment Facility (NESWTF) as well as the Southeast Surface Water Treatment (SESWTF) and East Central Fresno (T-3) adds CO<sub>2</sub> after the treatment and disinfection of drinking water. The Department of Public Utilities - Water Division (Division), solicited bids to establish a requirements contract for Liquefied CO<sub>2</sub>. On July 7, 2020, a bid opening took place for the requirements contract for Liquefied CO<sub>2</sub> (Bid File 9558); three bids were received. Two of the 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 Liquefied CO<sub>2</sub> requirements contract.

In the interim, staff recommends that the City Council award a contract to Air Liquide Industrial U.S. LP, for the purchase and delivery of Bulk CO<sub>2</sub> and authorize the Purchasing Manager or designee to execute a contract in an amount not to exceed \$200,000.

## BACKGROUND

The Division injects CO<sub>2</sub> as part of the treatment of finished surface water at the water treatment facilities. It is considered to be an effective enhancement chemical for the City of Fresno's water supply by conditioning raw water and enhancing the chemical reaction with the primary coagulant to facilitate effective cleansing of the water. It also adjusts the pH level of the treated water entering the water distribution system, thereby controlling the corrosive quality of the treated water in water mains, pipes and other appurtenances, and ultimately the end-user's facilities (homes and businesses, etc.).

A Notice Inviting Bids was published on June 3, 2020, per the City of Fresno Charter Section 1208. Notice of Inviting Bids and Bid Specifications were sent to 11 prospective bidders. The bid opening occurred on July 7, 2020, and three bids were received ranging from \$421,705 to \$647,850. During the bid evaluation two of the three bidders took exceptions after the closing of the bid process. These exceptions were either material in terms or would materially alter the terms of the contract and therefore the bids were considered to be non-responsive. The third bidder's bid amount was significantly higher.

The previous requirements contract with Air Liquide Industrial U.S. LP expired on November 1, 2019, and successful rebid of this contract has been prolonged. The continued operation of the NESWTF, SESWTF, and T-3 are essential for the health and safety of the community to provide reliable, safe, clean drinking water. Continued purchasing of Liquefied CO<sub>2</sub> is necessary. Approval of the Resolution will allow the Purchasing Manager or designee to execute a contract for the ongoing purchase of Liquefied CO<sub>2</sub> from Air Liquide while a rebid of the requirements contract takes place.

Invoiced amounts for purchases of Liquefied CO<sub>2</sub> during the current fiscal year have exceeded the formal bid limit of \$143,000 as codified the City of Fresno Charter Section 1208. Approval of the resolution will allow the Purchasing Manager or designee to execute a contract providing for the purchase and delivery of Liquefied CO<sub>2</sub> in an amount not to exceed \$200,000, subject to prior approval as to form by the City Attorney's Office. Staff will return to City Council within 180 days with a recommendation to award a requirements contract for the purchases.

## ENVIRONMENTAL FINDINGS

Action item 1- Rejection of all bids for the Requirements Contract for Liquefied Carbon Dioxide - Bid File 9558. The rejection of all bids is not a project for the purposes of CEQA Guidelines Section 15378.

Action item 3 - Adoption of a Resolution declaring urgent necessity for the preservation of life, health, property; and authorizing the Purchasing Manager or designee to contract with Air Liquide Industrial U.S. LP without advertised competitive bidding for the purchase and delivery of bulk carbon dioxide used for surface water treatment in an amount not to exceed \$200,000. Adoption of this resolution is not a project for the purposes of CEQA Guidelines Section 15378.

Action item 4 - Awarding a contract to Air Liquide Industrial U.S. LP, in an amount not to exceed \$200,000, for the purchase of bulk liquefied carbon dioxide. CEQA Guidelines Section 15061(b)(3) states that a project is exempt from CEQA if it is "covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in

question may have a significant effect on the environment, the activity is not subject to CEQA.”

Staff has conducted a preliminary review of this approval and has determined that it is exempt from CEQA pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) under the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

The City currently injects CO<sub>2</sub> as part of the treatment of finished surface water at the Northeast Surface Water Treatment Facility, the Southeast Surface Water Treatment, and East Central Fresno. Awarding the contract will allow the City to continue purchasing CO<sub>2</sub> for use in the treatment process, will not expand existing use, and is an action related to the continued use and operation of the existing water system. Use of CO<sub>2</sub> in the water treatment process conditions raw water and enhanced the chemical reaction with the primary coagulant to facilitate effective cleansing of the water. It also adjusts the pH level of the treated water entering the water distribution system, thereby controlling the corrosive quality of the treated water in water mains, pipes and other appurtenances, and ultimately the end-user’s facilities, and requires no construction of any kind. Thus, it can be seen with certainty that this approval will not have a significant effect on the environment. Therefore, it is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(c)(3) and no further assessment is required.

## **LOCAL PREFERENCE**

Local preference was not implemented because this item is a sole source purchase.

## **FISCAL IMPACT**

The General Fund is not impacted by this citywide expenditure, as the appropriations for the purchase of Bulk Liquefied CO<sub>2</sub> are included in FY 2021 Water Enterprise Fund operating budget.

Attachment 1: Bid Evaluation and Fiscal Impact Statement

Attachment 2: Resolution