



Legislation Details (With Text)

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Title: Approve an increase to the Requirements Contract with Air Liquide U.S. LP, doing business as Alliance Gas Products, for Bulk Liquid Oxygen to an annual amount of \$275,000, and extend the contract for an additional two years (Bid File 9452) (Citywide).

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Attachment 1 - Product Requirement Contract BF9452.pdf, 2. Attachment 2 - Notice of Award.pdf

Date	Ver.	Action By	Action	Result
2/10/2022	1	City Council	CONTINUED	

REPORT TO THE CITY COUNCIL

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

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

SUBJECT

Approve an increase to the Requirements Contract with Air Liquide U.S. LP, doing business as Alliance Gas Products, for Bulk Liquid Oxygen to an annual amount of \$275,000, and extend the contract for an additional two years (Bid File 9452) (Citywide).

RECOMMENDATION

Staff recommends that Council approve an increase in contract amount and extend the duration by two additional years for the Requirements Contract for Bulk Liquid Oxygen (LOX) - Bid File 9452.

EXECUTIVE SUMMARY

The Department of Public Utilities - Water Division (Water) utilizes LOX to disinfect water for protection against viruses and bacteria pursuant to the California Department of Public Health regulations. The City's Northeast Surface Water Treatment Facility (NESWTF) and the Southeast Surface Water Treatment Facility (SESWWF) collectively produce over 80 million gallons of drinking water per day. Ozone is produced on site at both locations utilizing LOX to achieve the desired disinfectant. LOX is necessary for both facilities to produce potable drinking water and without it, production of ozone cannot occur and the NESWTF and SESWTF cannot operate.

Council approval of an increase in the annual contract amount to \$275,000 and an additional two-year extension of the Requirements Contract with Alliance Gas Products (Alliance), will allow the continued delivery of LOX to both the NESWTF and the SESWTF and continued production of safe drinking water will continue.

BACKGROUND

The NESWTF produces up to 30 million gallons of drinking water a day and the SESWTF produces over 50 million gallons of drinking water a day. To protect the public against viruses and bacteria, the State Water Resources Control Board Division of Drinking Water' regulations require that the water is disinfected. LOX is used in the on-site production of ozone, which is the primary disinfectant. Without the delivery of Bulk LOX, Water cannot produce ozone, and consequently the NESWTF and the SESWTF will not be able to produce potable drinking water.

A Notice inviting Bids was published on April 20, 2018, per the City of Fresno Charter Section 1208. Two bids were received ranging from \$137,786 to \$164,981. Alliance submitted the lowest bid in the amount of \$137,786. While the bid specifications allowed for a contract duration of three years with the option to add two one-year extensions, Staff presented Council with a one-year contract with two one-year extension options; on September 27, 2018; the contract was approved.

Staff recommends exercising the two one-year options that were originally in the bid specifications and increase the annual contract amount to \$275,000. This will allow for continued delivery of LOX and uninterrupted production of safe drinking water.

ENVIRONMENTAL FINDINGS

By definition provided in the California Environmental Quality Act Guidelines Section 15378, an extension to a requirements contract does not qualify as a "project".

LOCAL PREFERENCE

Local preference is not applicable because this is an extension of an existing contract.

FISCAL IMPACT

The General Fund is not impacted by this citywide expenditure, as the appropriations for the purchase of Bulk Liquefied Oxygen is included in the FY 2022 and FY 2023 Water Enterprise Fund budget.

Attachments:

Attachment 1 - Product Requirement Contract

Attachment 2 - Notice of Award