

**City of Yuba City
Staff Report**

Date: April 17, 2007
To: Honorable Mayor & Members of the City Council
From: Administrative Services
Presentation By: Jack Smith, General Services Manager

Summary

Subject: Chemicals (FB 07-07)

Recommendation: Award formal bid contracts for the period of May 1, 2007 through April 30, 2008, based on the low bid in Categories A thru D and Categories F thru I as listed in the staff report and reject the bid for Category E and award a one year extension to the contract for Liquid Oxygen to Matheson Tri-Gas.

Fiscal Impact: \$616,704.85 Funds to be drawn from various accounts in both the Wastewater and Water Treatment funds. The actual cost may vary based on usage.

Background:

The contracts are necessary to provide chemicals to be used in the purification of water for human consumption and in the treatment of wastewater.

Analysis:

General Services staff worked with Utilities Department to develop specifications for the chemicals. A formal bid was developed and advertised according to the City's ordinances. Sixty-eight vendors received bid notification and eleven (11) responded. Recommended awardees by category are as follows:

Category A – Liquid Chlorine One Ton

Pioneer America \$427.38 per ton
Walnut Creek, CA

Category B- Fluorosilicic Acid

Pencco, Inc \$2.219 per gallon
San Felipe, TX

Category C- Sodium Hydroxide

Pioneer America 25%--\$487.88 per ton

Walnut Creek, CA 50%--\$434.26 per ton

Category D-Sodium Bisulfite

Thatcher Co. 25%--.62 per gallon
Salt Lake City, UT 40%--1.08 per gallon

Category F—Calcium Hydroxide/Lime Slurry

Basic Chemical \$345.00 per ton
Santa Fe Springs, CA

Category G- Aluminum Sulfate

General Chemical \$266.00 per ton
Parsippany, NJ

Category H- 12.5% Bulk Tank Chlorine

Sierra Chemical \$.719 per gallon
Sparks, NV

Category I- Ferric Chloride

Sierra Chemical \$3.60 per gallon
Sparks, NV

Category J- Potassium Permanganate

Brenntag Pacific \$2.15 per pound
Richmond, CA

Reject Category E, Liquid Oxygen, and award the contract for liquid oxygen to Matheson Tri-Gas. Last year Council awarded a one (1) year contract with two (2) one year extensions for oxygen to Matheson Tri Gas of Irving TX. With the chemical market being volatile, we chose to bid this category to research where the market was currently. The bid came in higher than the price offered through the extension of the contract with our current supplier.

Fiscal Impact:

Funding for these purchases are budgeted for and appropriated in the Water and Wastewater fund portions of the budget. The prices obtained in this bid are currently being used to develop the Fiscal Year 2008 budget. Account numbers used for these purchases are as follows:

<u>Origin</u>	<u>Account</u>	<u>Account Title</u>	<u>Origin</u>	<u>Account</u>	<u>Account Title</u>
7120	63701	CHEMICALS	7330	63703	ALUMINUM SULFATE
7120	63702	CHLORINE	7330	63712	FERRIC CHLORIDE
7120	63703	ALUMINUM SULFATE	8110	63701	CHEMICALS
7120	63707	LIME SLURRY	8120	63701	CHEMICALS
7120	63708	FLUORIDE	8120	63702	CHLORINE
7131	63702	CHLORINE	8120	63731	SODIUM BISULFITE
7310	63702	CHLORINE	8120	63732	OXYGEN
7320	63702	CHLORINE	8120	63735	SODIUM HYDROXIDE
7330	63702	CHLORINE	8120	63739	AMM. POLYPHOSPHATE

The \$112,065 currently remaining in these accounts is sufficient for the remainder of the fiscal year.

Alternatives:

- 1) Instruct staff to prepare new bid
- 2) Award to alternative firm(s)
- 3) Instruct staff to purchase on open market as required

Recommendation:

Staff believes that the low bids in Categories A thru D and Categories F thru J are the best price available in the current market and recommends a contract be awarded to each low bidder. Staff also recommends rejecting the bid for Category E and awarding a one (1) year extension to Matheson Tri-Gas.

Prepared By:



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Submitted By:



Steven R. Jepsen
City Manager

Reviewed By:

Department Head

Utilities

Finance

City Attorney



OK/BL


FB07-07 Chemical

Vendor	Category A Liquid Chlorine One Ton	Category B Fluorosillicic Acid	Category C Sodium Hydroxide	Category D Sodium Bisulfite	Category E Liquid Oxygen	Category F Calcium Hydroxide Slurry/Lime Slurry	Category G Aluminum Sulfate	Category H 12.5% Bulk Tank Chlorine	Category I Ferric Chloride	Category J Potassium Permanganate
Sierra Chemical	\$460.10	no bid	25% - \$551.29 50% - \$506.22	25% - \$0.7802 40% - no bid	no bid	no bid	no bid	\$0.72	\$3.60	no bid
Brenntag Pacific	no bid	no bid	25% - \$610.25 50% - \$524.45	25% - \$0.992 40% - \$1.443	no bid	no bid	no bid	\$0.968	no bid	\$2.15
Pencco, Inc	no bid	\$2.219	no bid	no bid	no bid	no bid	no bid	no bid	no bid	no bid
General Chemical	no bid	no bid	no bid	no bid	no bid	no bid	\$266.00	no bid	no bid	no bid
Basic Chemical	no bid	no bid	25% - \$545.90 50% - \$476.73	25% - \$0.7858 40% - \$1.2816	no bid	\$345.00	no bid	\$0.94	no bid	no bid
Thatcher	no bid	no bid	no bid	25% - \$0.62 40% - \$1.08	no bid	no bid	no bid	no bid	no bid	no bid
BOC Gases	no bid	no bid	no bid	no bid	\$0.549	no bid	no bid	no bid	no bid	no bid
Univar	no bid	no bid	25% - \$536.43 50% - \$484.15	25% - \$1.4795 40% - \$1.627	no bid	no bid	no bid	\$1.32	no bid	\$2.65
LCI Limited	no bid	\$3.2 Non Responsive	no bid	no bid	no bid	no bid	no bid	no bid	no bid	no bid
Pioneer	\$427.38	no bid	25% - \$487.88 50% - \$434.26	no bid	no bid	no bid	no bid	no bid	no bid	no bid
Solvay	no bid	no bid	no bid	no bid	no bid	no bid	no bid	no bid	no bid	no bid
Matheson Tri Gas	N/A	N/A	N/A	N/A	\$0.529	N/A	N/A	N/A	N/A	N/A