



Legislation Text

File #: 19-386, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Bid 19-297, Bulk Magnesium Hydroxide, to Clear2O Inc, for an amount not to exceed \$149,836.40 and for a two-year term

DEPARTMENT: Water Utilities

SUBMITTED BY: Darrell Blenniss, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Water Utilities requires bulk magnesium hydroxide at the Springbrook Water Reclamation Center (SWRC). The chemical is required to periodically adjust the pH to maintain optimum treatment in the aerobic sludge digestion process.

There are few sources for bulk magnesium hydroxide. For the past seven procurements of this chemical, there was only one bidder, Clear2O, Inc., a local supplier. A couple years ago, staff contacted the other known suppliers to identify why they did not respond to the City's bid. All responded that they could not compete with Clear2O because of the trucking costs. Clear2O is located significantly closer to the City than their competition.

Although it is unlikely another vendor may submit a bid response, staff continues to advertise a bid in order see if additional vendors are able to compete. Staff sourced additional prospective bidders and notified them of this bid. Prior to the bid opening, one bidder submitted a No Bid response that they were unable to meet the current bid requirements.

DISCUSSION:

Advertisement Date: 10/10/2019	Notices Sent:	68
Opening Date: 10/28/2019	Planholders:	3
	Proposals Received:	1

Bids were received from the following vendors:

Vendor Name	Proposed Cost
Clear2 O, Inc.	\$149,836.40

During the specified 24-month bid contract period, it is estimated that 280 tons of magnesium hydroxide will be consumed by the City in process operations at the SWRC. The unit cost is increasing 3.9% from the previous 2017 contract to \$439 per ton due to increased cost of the chemical, as well as cost increases that are directly attributed to increases in railroad transportation costs for the inbound raw materials. Due to process improvements, projected chemical usage for this contract is expected to be less than the prior contract.

The term of this contract is 24 months from January 1, 2020 to December 31, 2021 with one, one-year option to extend.

FISCAL IMPACT:

CIP # N/A

Magnesium hydroxide is expensed to the salt and chemicals account listed below. A total of \$66,820 is budgeted for the chemical in the proposed 2020 Budget, pending Council approval. The remainder of this contract will be budgeted appropriately in subsequent years.

Account Number	Fund Description	Total Budget Amount
41251530-541409	Water and Wastewater	\$380,422