



Data Sheet
Agenda Item No. 13.

REGIONAL WATER DISTRICT

Meeting Date: April 6, 2017

Agenda Item:

Authorize the Executive Director to enter into price agreements for the purchase of bulk chemicals for the Regional Treated Water System.

Placement:	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Individual Consideration	<input type="checkbox"/> Executive Session
Vote:	<input checked="" type="checkbox"/> Non-Weighted	<input type="checkbox"/> Weighted Capital	
Recommending Department: Operations Department and Purchasing			

Background:

The District currently has twelve (12) price agreements for the purchase of bulk chemicals used to treat raw water. Nine (9) of these agreements are scheduled to expire on July 16, 2017. There are also two (2) new agreements being including this year. These are for the delivery of 330 gallon containers (totes) of Liquid Sodium Hydroxide 50% (Caustic Soda) and 55 gallon drums of Liquid Ammonium Sulfate. Following required public notices and bidding procedures, the District received sealed bids from fifteen (15) prospective bidders for eleven (11) different chemicals.

Compared to the bids received in 2014, all but two of the chemicals reflect decreases in the price of chemicals, with an average decrease of 6.4%. Liquid Sodium Hyrdroxide 50% (Caustic Soda) saw a slight increase of under 2% and Liquid Oxygen stayed the same as the previous agreement.

Financial:

Chemicals for the treatment of raw water are an annual budgeted expense.

Recommendation:

Staff recommends 10 of the chemical pricing agreements be awarded to the low bidder, with the bid for sodium chloride awarded to second lowest bidder due to unacceptable delivery time associated with the low bid; and that the Board of Directors authorize the Executive Director to enter into price agreements for the purchase of bulk chemicals for the Regional Treated Water System, as summarized on the attached supplemental Data Sheet.

Enclosures:

Supplemental Data Sheet – Chemicals for the Treatment of Raw Water

For more information, please contact Larry Patterson or Jeremy Sander (Purchasing) at (972) 219-1228.

Submitted By: Jan Morris
Jan Morris, Manager of Personnel & Purchasing

Date: March 31, 2017

SUPPLEMENTAL DATA SHEET

Agenda: April 6, 2017
Prepared: March 31, 2017

CHEMICALS FOR TREATMENT OF RAW WATER

Following required public notices and bidding procedures, sealed bids from fifteen (15) prospective bidders were received for the chemicals listed in the tables below. On February 15, 2017 the bids were publicly opened and read aloud. Based on the bids received, Staff recommends that the Board of Directors authorize the Executive Director to enter into the following price agreements.

Table A – Proposed Vendors and Prices

#	ITEM	PROPOSED VENDOR	AMT. BID PER LB.	1 YR. EST. USAGE	TOTAL AMOUNT BID
1.	Liquid Ferric Sulfate (Ferric)	CHEMTRADE	\$0.06320	3,600,000	\$227,520.00
2.	Liquid Ammonium Hydroxide (Ammonia)	Airgas Specialty Products	\$0.09500	420,000	\$39,900.00
3.	Liquid Polydiallyldimethyl/ Ammonium Chloride (Polymer, W)	SNF Polydyne	\$0.53700	220,000	\$118,140.00
4.	Liquid Sodium Hydroxide 50% (Caustic Soda)	DPC Industries	\$0.12320	2,137,000	\$263,278.40
5.	Liquid Sodium Hydroxide 25% (Caustic)	FSTI	\$0.06375	675,000	\$43,031.25
6.	Sodium Chloride (Dry lbs.) (Salt)	Brenntag Southwest	\$0.08440	2,500,000	\$211,000.00
7.	Liquid Oxygen	Air Liquide	\$0.03300	2,100,000	\$69,300.00
8.	Liquid Ammonium Sulfate	CHEMTRADE	\$0.09100	108,000	\$9,828.00
9.	Liquid Sodium Hypochlorite (Chlorine)	FSTI	\$0.06320	650,000	\$41,080.00
10.	Liquid Sodium Hydroxide 50% (Caustic Soda) (Totes)	Valley Solvents & Chemicals	\$0.18000 (\$653.40 per delivered tote)	12 totes	\$7,840.80
11.	Liquid Ammonium Sulfate (Drums)	CHEMTRADE	\$0.29500 (\$177.00 per delivered drum)	12 drums	\$2,124.00
TOTAL ESTIMATED AMOUNT OF PRICE AGREEMENTS FOR FIRST YEAR:					\$1,033,042.45

Estimated quantities listed above represent total estimates for the first year of the contract period. The District has reserved the right to buy more or less of an item (as needed) during the contract period.

Table B – Current Prices

#	ITEM	CURRENT PRICE PER LB.	\$ DIFFERENCE FROM CURRENT PRICING	% DIFFERENCE FROM CURRENT PRICING
1.	Liquid Ferric Sulfate (Ferric)	\$0.06500	\$-0.00180	-2.77%
2.	Liquid Ammonium Hydroxide (Ammonia)	\$0.12850	\$-0.03350	-26.07%
3.	Liquid Polydiallyldimethyl/Ammonium Chloride (Polymer, W)	\$0.58000	\$-0.04300	-7.41%
4.	Liquid Sodium Hydroxide 50% (Caustic Soda)	\$0.12100	\$0.00220	1.82%
5.	Liquid Sodium Hydroxide 25% (Caustic Soda)	\$0.06975	\$-0.02165	-8.60%
6.	Sodium Chloride (Dry lbs) (Salt)	\$0.08540	\$-0.00100	-1.17%
7.	Liquid Oxygen	\$0.03300	\$0.00000	0%
8.	Liquid Ammonium Sulfate	\$0.10200	\$-0.01100	-10.78%
9.	Liquid Sodium Hypochlorite (Chlorine)	\$0.06500	\$-0.00180	-2.77%
10.	Liquid Sodium Hydroxide 50% (Caustic Soda) (Totes)	<i>New Contract</i>	<i>New Contract</i>	<i>New Contract</i>
11.	Liquid Ammonium Sulfate (Drums)	<i>New Contract</i>	<i>New Contract</i>	<i>New Contract</i>

Term of Agreements

The following items are being recommended for a one-year price agreement with the option for two 12-month renewals:

- a.) Liquid Ammonium Hydroxide (Ammonia) – Airgas Specialty Products
- b.) Liquid Sodium Hydroxide 50% (Caustic Soda) – DPC Industries
- c.) Liquid Sodium Hydroxide 25% (Caustic Soda) – FSTI
- d.) Sodium Chloride (Salt) – Brenntag Southwest
- e.) Liquid Sodium Hypochlorite (Chlorine) – FSTI
- f.) Liquid Sodium Hydroxide 50% Totes – (Caustic Soda) – Valley Solvents & Chemicals

The following items are being recommended for a two-year price agreement with the option for one 12-month renewal:

- a.) Liquid Ferric Sulfate (Ferric) – CHEMTRADE
- b.) Liquid Polydiallyldimethyl/Ammonium Chloride (Water Polymer) – SNF Polydyne
- c.) Liquid Oxygen (LOX) – Air Liquide
- d.) Liquid Ammonium Sulfate – CHEMTRADE
- e.) Liquid Ammonium Sulfate (Drums) - CHEMTRADE