



City of Grand Island

Tuesday, October 8, 2019

Council Session

Item G-2

#2019-302 - Approving the Purchase of Liquid Ortho-Polyphosphate for Corrosion Control

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy G. Luchsinger, Utilities Director
Stacy Nonhof, Interim City Attorney

Meeting Date: October 8, 2019

Subject: Purchase of Liquid Ortho-Polyphosphate for Corrosion Control

Presenter(s): Timothy G. Luchsinger, Utilities Director

Background

The City was issued an Administrative Order by the Nebraska Health and Human Services on March 24, 1998, requiring compliance with the Lead and Copper Rule. Because City water was corrosive enough to leach copper from household plumbing and fixtures in excess of EPA limits, the order required the preparation of an Optimum Corrosion Control Treatment program (OCCT).

The OCCT program includes the addition of liquid ortho-polyphosphate solution to the source water to reduce the corrosiveness of the naturally occurring source water. The addition was implemented in May 2003. Subsequent testing of the water system indicates that the goal of reducing corrosiveness, and thus copper levels, to comply with the regulatory order has been achieved.

Discussion

The Utilities Department solicits bids annually for the treatment solution. The current contract to provide the additive for this year is completed. Therefore, specifications for the purchase of Liquid Ortho-Polyphosphate for Corrosion Control for another year were prepared and issued for bid. The specifications require a firm price for the product to maintain the guaranteed dose rate. Bids were publicly opened on September 5, 2019. Two bids were received as listed below. The bids were evaluated based upon the total cost to treat 4.5 billion gallons of water (a high estimate of annual treatment needed). The engineer's estimate for this project was \$175,000.00.

Bidder	Unit Price/Gallon	Price/Million Gallons	Annual Cost
Carus Corporation, Inc.	\$6.042	\$24.168	\$108,756.00
Shannon Chemical Corp.	\$5.090	\$20.360	\$ 91,620.00

Department staff has reviewed the bids for compliance with the City's detailed specifications. The products proposed by the suppliers are similar in chemical composition, as well as with another product successfully used in the past. The current dosage rate has been approved as part of the OCCT and has proven to achieve compliance with State Health Department regulations. Based on the evaluation scoring criteria that considers multiple factors, Shannon Chemical Corporation is recommended as the low evaluated bidder.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the purchase of Liquid Ortho-Polyphosphate for Corrosion Control be awarded to Shannon Chemical Corporation from Malvern, PA as winning bidder, for a not-to-exceed price of \$20.36 per million gallons of water treated; an annual amount estimate of \$91,620.00. The actual annual amount will depend on City water usage.

Sample Motion

Move to approve bid award for Liquid Ortho-Polyphosphate for Corrosion Control in the amount of \$20.36 per million gallons of treated water, to Shannon Chemical Corporation from Malvern, Pennsylvania.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: September 5, 2019 at 2:00 p.m.
FOR: Purchase of Liquid Ortho-Polyphosphate for Corrosion Control
DEPARTMENT: Utilities
ESTIMATE: \$175,000.00
FUND/ACCOUNT: 525
PUBLICATION DATE: August 21, 2019
NO. POTENTIAL BIDDERS: 3

SUMMARY

Bidder:	<u>Shannon Chemical Corporation</u> Malvern, PA	<u>Carus Corporation</u> Peru, IL
Bid Security:	International Fidelity Ins. Co.	Harco National Ins. Co.
Exceptions:	None	None
Unit Price:	\$5.09	\$6.042
Treatment:	<u>\$20.36</u>	<u>\$24.168</u>
Total Bid:	\$91,620.00	\$108,756.00

cc: Tim Luchsinger, Utilities Director
Jerry Janulewicz, Interim City Administrator
Stacy Nonhof, Purchasing Agent
Supervisor

Pat Gericke, Utilities Admin. Assist.
Patrick Brown, Finance Director
Scott Sekutera, Regulatory/Environ.

P2150

RESOLUTION 2019-302

WHEREAS, the City Water Department invited sealed bids for Liquid Ortho-Polyphosphate for Corrosion Control; and

WHEREAS, on September 5, 2019, bids were received, opened and reviewed; and

WHEREAS, Shannon Chemical Corporation of Malvern, Pennsylvania, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, for a not to exceed price of \$20.360 per million gallons of water treated, at an annual amount estimated at \$91,620.00 (the actual annual amount will depend on City water usage); and

WHEREAS, the bid of Shannon Chemical Corporation, is less than the estimate for Liquid Ortho-Polyphosphate for Corrosion Control.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Shannon Chemical Corporation, with a not to exceed price of \$20.360 per million gallons of water treated, in an annual amount estimated at \$91,620.00, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 8, 2019

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 4, 2019	☐ City Attorney