



City of Grand Island

Tuesday, August 11, 2015

Council Session

Item G-9

#2015-208 - Approving Bid Award for Liquid Ortho-Polyphosphate for Corrosion Control - Utilities Department

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: August 11, 2015

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 July 30, 2015. 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/gal	Price/mil gal	Annual cost
Carus Corporation, Inc.	\$ 4.580	\$18.320	\$ 82,440.00
Shannon Chemical Corporation	\$ 7.290	\$29.160	\$131,220.00

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 using the same dosage rates, the current supplier, Carus Phosphates, 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 Carus Corporation, Inc., from Peru, Illinois, as the low responsive bidder, for a not-to-exceed price of \$18.320 per million gallons of water treated; an annual amount estimate at \$82,440.00. 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 \$18.320 per million gallons of treated water, to Carus Corporation of Peru, Illinois.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: July 30, 2015 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: July 1, 2015
NO. POTENTIAL BIDDERS: 10

SUMMARY

Bidder:	<u>Shannon Chemical Corporation</u> Malvern, PA	<u>Carus Corporation</u> Peru, IL
Bid Security:	Official Check	International Fidelity Ins. Co.
Unit Price Bid:	\$ 7.29	\$ 4.58
Unit Cost of Treatment:	<u>\$29.16</u>	<u>\$18.32</u>
Total Cost:	\$131,220.00	\$82,440.00

cc: Tim Luchsinger, Utilities Director
Stacy Nonhof, Purchasing Agent
Karen Nagel, Utilities Secretary

William Clingman, Interim Finance Director
Pat Gericke, Utilities Admin. Assist.
Scott Sekutera, Utilities Dept.

P1822

RESOLUTION 2015-208

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

WHEREAS, on July 30, 2015, bids were received, opened and reviewed; and

WHEREAS, Carus Phosphates, Inc., of Peru, Illinois, 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 \$18.320 per million gallons of water treated, at an annual amount estimated at \$82,440.00 (the actual annual amount will depend on City water usage); and

WHEREAS, the bid of Carus Phosphates, Inc., 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 Carus Phosphates, Inc., of Peru, Illinois, for a not to exceed price of \$18.320 per million gallons of water treated, in an annual amount estimated at \$82,440.00, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 11, 2015.

Jeremy L. Jensen, Mayo

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☒ _____
August 7, 2015	☒ City Attorney