



City of Grand Island

Tuesday, September 22, 2015

Council Session

Item G-11

#2015-255 - Approving Bid Award - Purchase of Sulfuric Acid with Telemetry Program at Platte Generating Station

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

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

Meeting Date: September 22, 2015

Subject: Purchase of Sulfuric Acid with Telemetry Program

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

Background

The Platte Generating Station utilizes a cooling tower, condenser and circulating piping as part of the plant's cooling water system. The cooling tower uses heat exchangers to dissipate large heat loads to the atmosphere. Bulk sulfuric acid at the Platte Generating Power Plant is used for the pH control of the cooling tower system. The system's cooling water impurities are concentrated through an evaporative cooling process and requires chemical treatment to prevent scaling, corrosion, and contamination and assists with conductivity. Depending on the time of year and the production load, approximately 140 gallons are used per day. The current contract to provide the additive is complete. Plant staff developed specifications for the purchase of sulfuric acid for another year and issued for bid. Included in the specifications is a telemetry system which will allow the supplier to remotely monitor the sulfuric acid tank levels and schedule truck deliveries accordingly.

Discussion

The Utilities Department solicits bids annually for the sulfuric acid. The specifications require a firm price for the product to maintain the guaranteed dose rate. Bids were publicly opened on September 1, 2015. Two bids were received as listed below. The engineer's estimate for this project was \$100,000.00.

Bidder	Unit Price	Taxes	Estimated Annual cost	Telemetry Program	Adjusted Bid Price
Univar					
Omaha, NE	\$ 167.00	\$11.69	\$ 65,757.92	\$ 0	\$65,757.92
Brenntag Great Lakes					
Omaha, NE	\$ 176.00	Included	\$ 64,768.00	\$ 1,995.00	\$66,763.00

Department personnel have reviewed the bids for compliance with the City's detailed specifications. The bids were evaluated based upon the unit cost per ton, and the cost of installing a telemetry program. Based on the previous year's annual usage of 368 tons of sulfuric acid, Brenntag Great Lakes bid was adjusted to \$64,768.00. Adding the cost of the telemetry system brought their bid to an adjusted price of \$66,763.00. Based on using the same dosage rates, Univar is compliant with specifications and less than the engineer's estimate.

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 Sulfuric Acid with Telemetry Program be awarded to Univar from Omaha, Nebraska, as the low responsive bidder, for a not-to-exceed price of \$167.00 per ton; an annual amount estimate at \$65,757.92 and the installation of the telemetry monitoring system at no cost.

Sample Motion

Move to approve the bid for the Purchase of Sulfuric Acid with Telemetry Program in the amount of \$167.00 per ton per gallons of treated water, to Univar of Omaha, Nebraska.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: September 1, 2015 at 2:15 p.m.
FOR: Purchase of Sulfuric Acid with Telemetry Program
DEPARTMENT: Utilities
ESTIMATE: \$100,000.00
FUND/ACCOUNT: 520
PUBLICATION DATE: August 21, 2015
NO. POTENTIAL BIDDERS: 2

SUMMARY

Bidder:	<u>Univar</u> Omaha, NE	<u>Brenntag Great Lakes, LLC</u> Omaha, NE
Bid Security:	Westchester Fire Ins. Co.	Cashier's Check
Exceptions:	Noted	None
Delivered Unit Bid Price:	\$167.00	\$176.00
Sales Tax:	\$ 11.69 per ton	Included
Estimated Annual Cost:	\$65,757.92 based on 368 tons from 9-1-15 to 8-30-15	\$48,576.00
Telemetry Program Cost:	None	\$1,995.00

cc: Tim Luchsinger, Utilities Director
Marlan Ferguson, City Administrator
Stacy Nonhof, Purchasing Agent

Pat Gerieke, Utilities Admin. Assist.
William Clingman, Interim Finance Director
Scott Sekutera, Environmental Manger

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RESOLUTION 2015-255

WHEREAS, the City of Grand Island invited sealed bids for the Purchase of Sulfuric Acid with Telemetry Program, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on September 1, 2015, bids were received, opened and reviewed; and

WHEREAS, Univar of Omaha, Nebraska, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$ 167.00 per ton per gallons of treated water, an annual amount estimate of \$65,575.92; and

WHEREAS, the bid of Univar is less than the estimate for the Purchase of Sulfuric Acid with Telemetry Program.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Univar, in the amount of \$167.00 per ton per gallons of treated water, an annual amount estimate of \$65,575.92, for Purchase of Sulfuric Acid with Telemetry Program, is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 22, 2015.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
September 18, 2015	☐ City Attorney