



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
March 24, 2009

Honorable Mayor and
Members of the City Council

Title: Contract: Purchase of Liquid Sodium Hypochlorite

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) awarding a one-year contract with four one-year renewal options to Sierra Chemical Company for the purchase of liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders in an amount not to exceed \$3,359,645 for the potential maximum 5 year term; and 2) authorizing the City Manager or the City Manager's designee to execute the contract and renewal options specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contacts: Marc Robles, Program Analyst, Procurement Services, 808-6343;
Dave Phillips, Water Sewer Superintendent, 808-5652

Presenters: Not applicable

Department: Utilities

Division: Water Production, Wastewater and Drainage Plant Operations

Organization Nos. : 14001111, 14001121, and 14001131

Description/Analysis:

Issue: The Department of Utilities, Water Production Operations and Wastewater and Drainage Plant Operations, have an ongoing need to purchase liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders for the production of drinking water and the treatment of wastewater.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The current proposal involves the purchasing of chemicals for the ongoing production of drinking water and the treatment of wastewater. Supply purchases of this nature are not a "project" as defined under Section 15378(b)(2) of the California Environmental Quality Act Guidelines. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: None

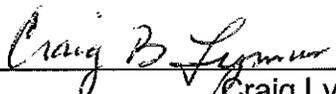
Rationale for Recommendation: The Department of Utilities has a need to purchase liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders for the production of drinking water and the treatment of wastewater.

In January 2009, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246024 for the purchase of liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders. Two responses were received. The lowest responsive and responsible bidder was determined to be Sierra Chemical Company.

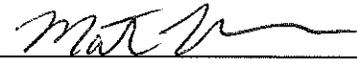
Financial Considerations: Sufficient funding is available in the Department of Utilities FY2008/09 operating budget (Funds 6005, 6006, and 6011) for the purchase of liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders, through June 30, 2009. Purchases after June 30, 2009 are subject to funding availability in the adopted budget of the applicable fiscal year. The estimated annual amounts are as follows:

Vendor	Year 1 Estimate	Year 2 Estimate	Year 3 Estimate	Year 4 Estimate	Year 5 Estimate	Total Contract Amount
Sierra Chemical Company	\$550,301	\$605,332	\$665,865	\$732,451	\$805,696	\$3,359,645

Emerging Small Business Development (ESBD): Sierra Chemical Company is not certified as an emerging/small business firm.

Respectfully submitted by: 
 Craig Lymus
 Interim Procurement Manager

Approved by: 
for: Reina J. Schwartz
Director, Department of General Services

Approved by: 
Marty Hanneman
Assistant City Manager/
Director, Department of Utilities

Recommendation Approved:

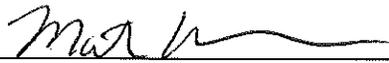

for Ray Kerridge
City Manager

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BID RESULTS - BID NO. B093246024

	Sierra Chemical Company	Univar USA, Inc.⁽¹⁾
Item 1 Liquid Sodium Hypochlorite in Bulk	\$259,500.00	\$307,500.00
Item 2 Liquid Chlorine in 1 ton Cylinders	\$264,523.00	NO BID
Item 3 Liquid Chlorine in 150 lb. Cylinders	\$26,277.60	NO BID
Sub Total	\$550,300.60	\$307,500.00
5% E/SBE Preference	None	None
1% City Limit Preference	None	None
Prompt Payment Discount	None	None
Total Bid Evaluation	\$550,300.60⁽²⁾	\$307,500.00

Award of Contract To:

Sierra Chemical Company
 2302 Larkin Circle
 Sparks, NV 89431

Total Contract Amount: \$3,359,645

Using Department: Department of Utilities

No. of Bids Received	No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
2	0	0	No

⁽¹⁾This vendor was considered non-responsive for failure to bid on all items.

⁽²⁾The lowest responsible bid amount of \$550,300.60 represents the total for the quantities selected for evaluation purposes only, which was calculated on annual historical usage. Authorization is requested to enter into contract in an amount not to exceed \$3,359,645, which anticipates a ten percent annual cost and/or volume increase and more closely reflects the actual amount anticipated to be expended overall for this potential 5 year contract.

RESOLUTION NO. 2009-XXXX

Adopted by the Sacramento City Council

March 24, 2009

**AWARD CONTRACT FOR THE PURCHASE OF LIQUID SODIUM HYPOCHLORITE
IN BULK, ONE-TON AND 150 POUND CHLORINE CYLINDERS**

BACKGROUND

- A. The Department of Utilities has an ongoing need to purchase liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders for the production of drinking water and treatment of wastewater.
- B. In January 2009, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No. B093246024 for the purchase of liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders. The lowest responsive and responsible bidder was determined to be Sierra Chemical Company.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Sierra Chemical Company is awarded a one-year contract with four one-year renewal options for the purchase of liquid sodium hypochlorite in bulk, one-ton and 150 pound chlorine cylinders in an amount not to exceed \$3,359,645.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the contract and renewal options specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).