



City of Sacramento City Council

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

Meeting Date: 7/26/2011

Report Type: Consent

Title: Supplemental Agreements: Swimming Pool Chemicals

Report ID: 2011-00658

Location: Citywide

Recommendation: Adopt a Resolution: 1) authorizing the City Manager or designee to execute the second contract supplement with Lincoln Equipment, Inc., for the purchase of pool chemicals to extend the contract term to June 30, 2012, to increase the total consideration by an amount not to exceed \$300,000 for Fiscal Year (FY) 2011/12 and to execute the required purchase orders; and 2) authorizing the City Manager or designee to execute the third contract supplement with Lincoln Equipment, Inc., for the purchase of pool chemicals to extend the contract term for an additional year, to increase the total consideration by an amount not to exceed \$300,000 for FY2012/13 and to execute the required purchase orders provided that sufficient funds are available in the budget adopted for FY2012/13.

Contact: Murray Levison, Administrative Officer, (916) 808-6195, Dave Mitchell, Operations Manager, (916) 808-6076, Department of Parks and Recreation

Presenter: None

Department: Parks & Recreation Department

Division: Aquatics

Dept ID: 19001521

Attachments:

-
- 1-Description/Analysis
 - 2-Attachment 1
 - 3-Resolution
 - 4-Exhibit A

City Attorney Review

Approved as to Form
Sheryl N. Patterson
7/19/2011 9:55:06 AM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Russell Fehr
7/14/2011 9:43:13 AM

Approvals/Acknowledgements

Department Director or Designee: Jim Combs - 7/15/2011 11:59:46 AM

Assistant City Manager: Cassandra Jennings - 7/18/2011 3:16:12 PM

Eileen Teichert, City Attorney

Shirley Concolino, City Clerk
William H. Edgar, Interim City Manager

Russell Fehr, City Treasurer ^{1 of 9}



Description/Analysis

Issue: The Parks and Recreation Department has an on-going need to purchase a variety of chemicals required to operate and maintain the City's swimming pools, wading pools and fountains located at 26 potential locations. The chemicals are powerful disinfectants used to maintain acceptable water quality. As a result of a competitive bidding process, City Council is being asked to authorize the City Manager to execute a second supplement to a contract to purchase these chemicals from Lincoln Equipment, Inc., for Fiscal Year (FY) 2011/12 and an additional supplement for FY2012/13 subject to available funding in the FY2012/13 budget.

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

Environmental Considerations: California Environmental Quality Act (CEQA): The current proposal involves the purchase of chemicals for swimming pools and fountains accessible to the public. Continuing maintenance activities, such as the purchase of supplies, is not a "project" for the purposes of CEQA pursuant to Section 15378(b)(2) of the CEQA Guidelines (Title 14 Cal. Code Reg. § 15000 et seq.). Therefore, no environmental review is necessary.

Sustainability: The chemicals to be purchased are required to meet State of California Health and Safety Code requirements for water quality and human contact. All storage and usage of these chemicals is in compliance with county, state and federal regulations. The chemicals are stored at the site of each individual pool, wading pool and fountain. The sites are regularly inspected by the Sacramento County Department of Environmental Management, Hazardous Materials Unit.

Commission/Committee Action: None

Rationale for Recommendation: The chemicals are required to be used to ensure protection of the public from biological hazards inherent in public swimming pools and fountains. The chemicals to be purchased include calcium hypochlorate and sodium hypochlorate. Without the chemicals, the Department of Parks and Recreation would be forced to drain all City swimming pools and fountains to prevent a possible health hazard.

In April 2010, the Department of Parks and Recreation, in accordance with City Code Section 3.56, issued Invitation for Bid No. B10190015212 for the purchase of several groups of chemicals over a three-year period: Group I is for calcium hypochlorate and Group II is for sodium hypochlorate.

Eight responses were received, although not all respondents provided bids for all groups. The lowest responsive and responsible bidder for Groups I and II was determined to be Lincoln

Equipment, Inc. (Lincoln) with a total bid of \$305,990. A summary of the bid results is provided in Attachment 1.

In June 2010 City Council approved a contract with Lincoln, but only for the first year due to continuing uncertainty about the number of swimming pools that would be in operation as a result of budget reductions. Although swimming pool hours have been reduced, the Department is required to continue to maintain the water quality in pools.

Because the Invitation for Bid requested price quotes for a three-year period, the City still has the right to exercise its option to extend the contract for subsequent years and Lincoln is willing to honor its bid prices for the second and third years. In order to purchase chemicals for pool operations this summer, the FY2010/11 contract was extended from July 1 through August 31, 2011, by the authority granted to the City Manager under City Code Section 3.56.290A.3., to issue a contract supplement for ten percent (10%) of the original contract price or \$30,500. A second contract supplement in the amount of \$300,000 for FY2011/12 is being requested, along with authorization for an additional supplement for the third year subject to available funds in the FY2012/13 budget.

The proposed contract supplements would allow Parks and Recreation to purchase the potential maximum amount of chemicals needed each year for the next two fiscal years. However, only the amount of chemicals necessary to support approved operations will be purchased. The actual amount of chemicals purchased will be determined by the number of pools and fountains in use, with additional chemicals purchased to maintain minimal water quality in any pools that are not open for public use. Pools that are closed to the public likely will not be drained so that adequate weight and pressure remains in the pools to keep them from cracking and/or rising up out of the ground due to ground movement and high groundwater levels.

Financial Considerations: There are sufficient funds available in the Department of Parks and Recreation's operating budget for chemical purchases. The maximum cost of \$600,000 reflects a maximum purchase of \$300,000 from Lincoln in each of the next two years.

Emerging Small Business Development (ESBD): Lincoln Equipment, Inc., is not certified as an Emerging/Small Business Enterprise (ESBE).

SUMMARY OF BID RESULTS FOR BID NO. B10190015212
Group I – Calcium Hypochlorate

Bid Category (includes sales tax and delivery)	California Steam	Chem Quip	General Pool and Spa Supply	Leslie's Poolmart
Price Group I	\$520,567.76	\$277,475.63	No bid	\$298,763.44
5% ESBE Preference	<\$26,028.39>	None	None	None
Prompt Payment Discount	None ⁽¹⁾	None	None	None
1% City Tax Preference	None	<\$2,774.76>	None	<\$2,987.63>
Electronic Funds Discount	None	None	None	<\$8,962.90> ⁽²⁾
Evaluation Total	\$494,539.37	\$274,700.87	No bid	\$286,812.90

Bid Category (includes sales tax and delivery)	Lincoln Equipment	Sierra Chemical – Sparks, NV	Sierra Chemical – West Sac	Univar USA
Price Group I	\$264,262.50	\$265,241.25	No bid	No bid
5% ESBE Preference	None	None	None	None
Prompt Payment Discount	None	None	None	None
1% City Tax Preference	None	None	None	None
Electronic Funds Discount	None	None	None	None
Evaluation Total	\$264,262.50	\$265,241.25	No bid	No bid

(1) The prompt payment discount offered by California Steam requires payment within ten days, which is less than the City minimum of twenty days, so the discount is not applicable.

(2) The electronic funds discount offered by Leslie's requires payment by a purchasing card, which the City is not yet set up to handle.

SUMMARY OF BID RESULTS FOR BID NO. B10190015212
Group II – Sodium Hypochlorate

Bid Category (includes sales tax and delivery)	California Steam	Chem Quip	General Pool and Spa Supply	Leslie's Poolmart
Price Group II	\$68,965.78	\$43,907.69	No bid	\$50,329.50
5% ESBE Preference	<\$3,448.29>	None	None	None
Prompt Payment Discount	None ⁽¹⁾	None	None	None
1% City Tax Preference	None	<\$439.08>	None	<\$503.30>
Electronic Funds Discount	None	None	None	<\$1,509.89> ⁽²⁾
Evaluation Total	\$65,517.49	\$43,468.61	No bid	\$48,316.32

Bid Category (includes sales tax and delivery)	Lincoln Equipment	Sierra Chemical – Sparks, NV	Sierra Chemical – West Sac	Univar USA
Price Group II	\$41,727.25	\$42,194.88	\$47,058.84	No bid
5% ESBE Preference	None	None	None	None
Prompt Payment Discount	None	None	None	None
1% City Tax Preference	None	None	None	None
Electronic Funds Discount	None	None	None	None
Evaluation Total	\$41,727.25	\$42,194.88	\$47,058.84	No bid

(1) The prompt payment discount offered by California Steam requires payment within ten days, which is less than the City minimum of twenty days, so the discount is not applicable.

(2) The electronic funds discount offered by Leslie's requires payment by a purchasing card, which the City is not yet set up to handle.



RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING CONTRACT SUPPLEMENTS NO. 2 AND NO. 3 WITH LINCOLN EQUIPMENT, INC. FOR THE PURCHASE OF SWIMMING POOL CHEMICALS

BACKGROUND

- A. The Parks and Recreation Department has an on-going need to purchase a variety of chemicals required to operate and maintain the City's swimming pools, wading pools and fountains.
- B. In April 2010, the Department of Parks and Recreation, in accordance with City Code Section 3.56, issued Invitation for Bid No. B10190015212 for the purchase of several groups of chemicals over a three-year period. Eight responses were received, although not all respondents provided bids for all groups.
- C. The lowest responsive and responsible bidder for Groups I and II was determined to be Lincoln Equipment, Inc. (Lincoln). Its total bid for Fiscal Year (FY) 2010/11 was \$305,990.
- D. In June 2010, City Council approved a contract with Lincoln for the first year only due to continuing uncertainty about the number of swimming pools that would be in operation in the future as a result of budget reductions. The Invitation for Bid requested price quotes for a three-year period, so the City has the right to exercise its option for the subsequent years. Lincoln is agreeable to honor its bid prices for the second and third years. Amending the contract to extend the term and increase the total consideration is required to exercise the option.
- E. In order to purchase chemicals for pool operations this summer, the contract was extended from July 1 through August 31, 2011, under the first contract supplement, which also increased the total consideration by \$30,500 under the City Manager's authority pursuant to City Code Section 3.56.290A.3.
- F. The second contract supplement would increase the total consideration by \$300,000 for FY2011/12, and if the same pool operations occurred in FY2012/13, an additional \$300,000 would be required.

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

- Section 1. The City Manager or designee is authorized to execute the second contract supplement with Lincoln Equipment, Inc., for the purchase of pool chemicals to extend the contract term to June 30, 2012, to increase the total consideration by an amount not to exceed \$300,000 for Fiscal Year

(FY) 2011/12 and to execute the required purchase orders.

- Section 2. Provided that sufficient funds are available in the budget adopted for FY2012/13, the City Manager or designee is authorized to execute the third contract supplement with Lincoln Equipment, Inc., for the purchase of pool chemicals to extend the contract term for an additional year, to increase the total consideration by an amount not to exceed \$300,000 for FY2012/13 and to execute the required purchase orders.
- Section 3. Contract supplement No. 2 described in Section 1 is attached as Exhibit A and made a part of this Resolution.

Table of Contents:

- Exhibit A – Contract Supplement No. 2 with Lincoln Equipment, Inc., for purchase of pool chemicals



CONTRACT SUPPLEMENT (Supplies)

Bid Title and Number: Swimming Pool Chemicals (B10190015212) **Date: 7/26/11**
Purchase Order #: _____ **Contract Supplement No.: 2**

The City of Sacramento ("City") and Lincoln Equipment, Inc. ("Contractor"), as parties to that certain contract awarded for the above Bid and designated as **City Contract Number 2010-0480**, including any prior contract supplements modifying said contract (said contract and contract supplements are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. The Contract is amended as follows:

The term of the Contract is extended to June 30, 2012.

2. Based on the bid prices submitted by Contractor for the second year if the City exercised its option to extend the Contract term, and the length of time the Contract term is being extended under this Supplement, the maximum not-to-exceed amount that is specified in the Contract is **increased** by \$300,000 and said maximum not-to-exceed amount is amended as follows:

Contract's original not-to-exceed amount:	<u>\$305,990.00</u>
Net change by previous contract supplements:	<u>\$ 30,500.00</u>
Not-to-exceed amount prior to this contract supplement:	<u>\$336,490.00</u>
Increase by this contract supplement:	<u>\$300,000.00</u>
New not-to exceed amount including all contract supplements:	<u>\$636,490.00</u>

3. Contractor agrees that the compensation specified herein shall constitute full compensation for the additional supplies City may order under this Contract amendment as specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such amendment, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
4. Contractor warrants and represents that the person or persons executing this contract supplement on behalf of Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Contract, as supplemented and modified by this contract supplement.

**CONTRACT SUPPLEMENT
(Supplies)**

Lincoln Equipment, Inc.

City of Sacramento
A Municipal Corporation

By 

By _____

Print Name: Jim Settle

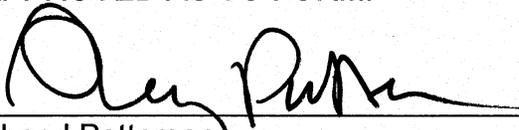
Print Name: _____

Title: Reg. Sales Mgr.

Title: _____

For: William H. Edgar, Interim City Manager

APPROVED AS TO FORM:



Sheryl Patterson
Senior Deputy City Attorney

ATTEST:

City Clerk