

18

DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

April 5, 2000

PS:Admin:00-23:RBH:SA:bd

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

PH 916-433-6240
FAX 916-399-0263

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: ALTERNATE AWARD OF CONTRACT (BID NO. 1800) FOR LIQUID ALUMINUM SULFATE (ALUM)

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that City Council cancel the current contract with Kemwater North America Company that resulted from Bid No. 1800 for liquid aluminum sulfate (alum), and that Council make an alternate award to the next lowest responsible bidder, General Chemical Corporation, 90 East Halsey Road, Parsippany, NJ 07054, in a total amount not to exceed \$400,000.00 per contract year.

CONTACT PERSONS: Kathy Mullen, Water & Sewer Superintendent, 382-3105
Steve Alstrom, Senior Buyer, 433-6343

FOR COUNCIL MEETING: April 18, 2000

SUMMARY:

This report recommends that the City Council cancel the current contract with Kemwater North America Company that resulted from Bid No. 1800 for liquid alum, and that Council make an alternate award to the next lowest responsible bidder, General Chemical Corporation.

BACKGROUND:

On June 1, 1999, the City Council awarded Bid No. 1800 for liquid alum to Kemwater North America Company, 2151 Wilbur Avenue, Antioch, CA 94509, in a total amount not to exceed \$400,000.00 per contract year. Recently, Kemwater North America Company notified the City that it has sold its liquid alum business to General Chemical Corporation, 90 East Halsey Road, Parsippany, NJ 07054.

General Chemical Corporation was the only other bidder that responded to Bid No. 1800. General Chemical has agreed to furnish liquid alum to the City at \$117.99 per ton, the same price as bid by Kemwater. The number of vendors who can supply liquid alum on the west coast is extremely limited, and General Chemical has been the only respondent to City bids for liquid alum for several years, prior to Bid No. 1800. Accordingly, re-advertising for bids would be unlikely to provide advantage to the City at this time, and could result in increased costs. Therefore, staff recommends that Council cancel the current contract with Kemwater North America Company, and make alternate award of Bid No. 1800 for liquid alum to General Chemical Corporation in a total amount not to exceed \$400,000.00 per year, which is the approximate amount anticipated to be expended each year of this potential five year contract.

FINANCIAL CONSIDERATIONS:

Sufficient funds have been budgeted for FY99/00 by the Utilities Department for chemicals and gases.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

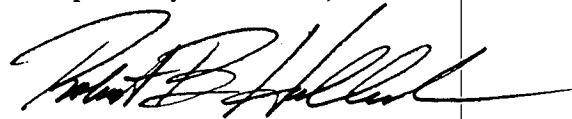
POLICY CONSIDERATIONS:

This recommendation for alternate award is in accordance with the provisions of City Code Section 57.03.306.

ESBE CONSIDERATIONS:

Requests for bid were originally sent to five vendors, none of which was certified as an Emerging or Small Business Enterprise (ESBE). A search in both the City and State ESBE bid directories yielded no vendors that provide this specialty chemical for water production. Of the two bid responses received, neither was from an ESBE firm.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager