



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

CONSENT  
July 15, 2008

Honorable Mayor and  
Members of the City Council

**Title: Contract: Purchase of Liquid Aluminum Sulfate (Alum) and Quicklime**

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution:** 1) awarding a one-year contract with up to two one-year renewal options for the purchase of liquid aluminum sulfate (alum) to General Chemical Performance Products, LLC in a total amount not to exceed \$6,875,550 for the three year period; 2) awarding a one-year contract with up to two one-year renewal options for the purchase of quicklime to Graymont Western US, Inc. in a total amount not to exceed \$835,000 for the three year period; and 3) authorizing the City Manager or the City Manager's designee to execute the contracts 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;  
Steve Willey, Supervising Plant Operator, 382-3712

**Presenters:** Not applicable

**Department:** Utilities

**Division:** Water Production Operations

**Organization No:** 14001111

**Description/Analysis:**

**Issue:** The Department of Utilities, Water Production Operations Division, has an ongoing need to purchase alum and quicklime for the production of drinking water. The Procurement Services Division recommends that contracts be awarded to two suppliers based on the results of Invitation for Bid (IFB) No. B081181066.

**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 production of drinking water. The proposal is not a “project” subject to CEQA review, in accordance with Section 15378(b)(2) of the CEQA Guidelines (continuing purchases of supplies). Therefore, as determined by the City’s Environmental Services Planning Manager, no environmental review is necessary.

**Sustainability Considerations:** None

**Rationale for Recommendation:** In May 2008, the Procurement Services Division, in accordance with City Code Section 3.56, issued Invitation for Bid No. B081181066 for the purchase of alum and quicklime. Three responses were received. General Chemical Performance Products, LLC was the lowest responsive and responsible bidder for alum. Graymont Western US, Inc. was the lowest responsive and responsible bidder for quicklime. The bid results are provided in Attachment 1.

**Financial Considerations:** This report recommends awarding and executing a one-year contract with two one-year renewal options with General Chemical Performance Products, LLC for the purchase of alum, and Graymont Western US, Inc. for the purchase of quicklime. The estimated annual amounts in years 2 and 3 are as follows:

Vendor	Year 1 Actual	Year 2 Estimate	Year 3 Estimate	Total Contract Amount
General Chemical Performance Products, LLC	\$1,980,000	\$2,277,000	\$2,618,550	\$6,875,550
Graymont Western US, Inc.	\$240,150	\$276,173	\$317,598	\$833,921
Total	\$2,220,150	\$2,553,173	\$2,936,148	\$7,709,471

The potential three year term of these contracts will begin in FY2008/09 and conclude in FY2011/12. Pricing in years 2 and 3 will be at the original bid price plus a potential annual price increase of 15 percent, to allow for anticipated cost increases in fuel and raw materials. Sufficient funds are available in the Department of Utilities, Water Production Operations Division, FY2008/09 operating budget to purchase the required chemicals through June 30, 2009. Purchases after June 30, 2009 are subject to funding availability in the adopted budgets of the applicable fiscal year.

**Emerging Small Business Development (ESBD):** Neither General Chemical Performance Products, LLC nor Graymont Western US, Inc. is certified as an emerging/small business firm. As of May 31, 2008, the Department of General Services has achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully submitted by: Craig B. Lymus  
Craig Lymus  
Interim Procurement Services Manager

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

Approved by: Cassandra B. Jannet  
for Marty Hanneman  
Interim Director, Department of Utilities

Recommendation Approved:

Ray Kerridge  
Ray Kerridge  
City Manager

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**Attachment 1**

**BID RESULTS - BID NO. B08118166**

<b>Bidders:</b>	<b>General Chemical Performance Products, LLC</b>	<b>Graymont Western US, Inc.</b>	<b>Univar US, Inc.</b>
Category I Liquid Aluminum Sulfate (Alum).	\$1,980,000.00	<b>NO BID</b>	<b>NO BID</b>
Category II Quicklime	<b>NO BID</b>	\$240,150.00	<b>NO BID</b>
Sub Total	\$1,980,000.00	\$240,150.00	
5% E/SBE Preference	None	None	
1% City Limit Preference*	None	None	
Prompt Payment Discount	None	None	
<b>Total Bid Evaluation</b>	<b>\$1,980,000.00</b>	<b>\$240,150.00</b>	<b>NO BID</b>

**Award of Contracts To:**

**General Chemical Performance Products, LLC**  
 90 East Halsey Road  
 Parsippany, NJ 07054

**Graymont Western US, Inc.**  
 3950 South 700 East, Suite 301  
 Salt Lake City, UT 84007

**Total Contract Amount: \$6,875,550<sup>(1)</sup>**

**Total Contract Amount: \$835,000<sup>(1)</sup>**

**Using Department:** Department of Utilities

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

<sup>(1)</sup>The lowest responsible bid amounts of \$1,980,000.00 and \$240,150.00 represent the total for the quantities selected for evaluation purposes only, which was calculated on annual historical usage. Authorization is requested to enter into contracts in an amount not to exceed \$7,710,550.00, which anticipates annual cost increases and more closely reflects the actual amount anticipated to be expended overall for these potential 3 year contracts.

**RESOLUTION NO. 2008-XXXX**

Adopted by the Sacramento City Council

**July 15, 2008**

**AWARD CONTRACT FOR THE PURCHASE OF LIQUID ALUMINUM SULFATE  
(ALUM) AND QUICKLIME**

**BACKGROUND**

- A. The Department of Utilities has an ongoing need to purchase liquid aluminum sulfate (alum) and quicklime for the production of drinking water.
- B. In May 2008, the Procurement Services Division, in accordance with City Code Section 3.56, issued Invitation for Bid No. B081181066 for the purchase of alum and quicklime. Three responses were received. The lowest responsive and responsible bidders are General Chemical Performance Products, LLC for alum and Graymont Western US, Inc. for quicklime.
- C. Sufficient funding is available in the Department of Utilities FY2008/09 operating budget for the initial contract period through June 30, 2009, for the purchase of alum and quicklime, in an amount not to exceed \$2,220,150.

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

- Section 1. General Chemical Performance Products, LLC, is awarded a one-year contract with two one-year renewal options for the purchase of alum in an amount not to exceed \$6,875,550 for the three year period.
- Section 2. Graymont Western US, Inc., is awarded a one-year contract with two one-year renewal options for the purchase of quicklime in an amount not to exceed \$835,000 for the three year period.
- Section 3. The City Manager or the City Manager's designee is authorized to execute the contracts and renewals specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).