



REPORT TO COUNCIL

City of Sacramento

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CONSENT
September 21, 2010

Honorable Mayor and
Members of the City Council

Title: Contract: Swimming Pool Chemicals

Location/Council District: Citywide

Recommendation: Adopt a **Resolution: 1)** awarding a one-year contract to Leslie's Poolmart, Inc., d/b/a Leslie's Swimming Pool Supplies, the lowest responsive and responsible bidder, for the purchase of chemicals in an amount not to exceed \$31,901 for Fiscal Year (FY) 2010/11; and **2)** authorizing the City Manager to execute the contract and the required purchase order for FY2010/11.

Contact: David Mitchell, Operations Manager, 808-6076; Alan Tomiyama, Recreation Manager, 808-8958

Presenters: Not applicable

Department: Parks and Recreation

Division: Recreation

Organization No: 19001521

Description/Analysis

Issue: The Parks and Recreation Department has an ongoing need to purchase chemicals to maintain the City's swimming pools, wading pools and fountains located at 26 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 contract to purchase three groups of chemicals (muriatic acid, sodium bicarbonate and calcium chloride) from Leslie's Poolmart, Inc., d/b/a Leslie's Swimming Pool Supplies (Leslie's), for FY2010/11.

On April 8, 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 five groups of chemicals. On June 22, 2010, City Council authorized the award of a contract, in the amount of \$305,990, to Lincoln Equipment, Inc., for two of the groups of chemicals - calcium hypochlorate (Group I) and sodium hypochlorate (Group II).

In the staff report for the purchase of chemicals presented at the June 22 City

Council meeting, staff originally recommended the award of a contract to Leslie's for the remaining three groups of chemicals - muriatic acid (Group III), sodium bicarbonate (Group IV) and calcium chloride (Group V). However, because Leslie's is headquartered in Arizona and it was just a week after City Council approved a resolution calling for a boycott of businesses headquartered in Arizona, staff asked that the recommendation to award a contract to Leslie's be stricken from the contract award resolution until guidance could be obtained on administering the boycott. Now that guidelines have been developed, staff has applied the guidelines and finds that awarding a contract to Leslie's is consistent with the boycott resolution.

Although the contract for the three groups of chemicals will be for an amount not to exceed \$31,901, which is within the City Manager's authority to approve, because the three groups of chemicals were included in the Invitation For Bid, it is appropriate to return to City Council at this time to request the award of the contract.

Policy Considerations: On June 15, 2010, City Council adopted Resolution 2010-346, which calls for a boycott of businesses headquartered in the state of Arizona (Boycott Resolution). With respect to the procurement of goods and services, the Boycott Resolution provides that "where practicable and where there is no significant additional cost to the City, the City of Sacramento shall not enter into any new, amended, extended or supplemental contracts to purchase or procure goods or services from any business or entity that is headquartered in Arizona." As directed by the Boycott Resolution, the City Manager has established internal procurement and purchasing rules and instructions (Guidelines) consistent with the policy stated in the Boycott Resolution.

Leslie's is headquartered in the state of Arizona. However, the proposed contract award is consistent with the Boycott Resolution and Guidelines because (1) it is not practicable to award the contract to the second-lowest bidder(s), and (2) awarding the contract to the second-lowest bidder(s) would result in a significant additional cost to the City.

Although Leslie's is headquartered in Arizona, Leslie's has a commercial sales and service office at 4641 Pell Drive and retail stores at 4740 Natomas Boulevard and 7215 Greenhaven Drive, all within the Sacramento city limits. The second-lowest bidder for one of the groups of chemicals is located in West Sacramento, and the second-lowest bidder for the other two groups of chemicals is located in Rancho Cordova. Due to the fact that Leslie's is located within the city limits, it provides a benefit to the local economy. Pursuant to the Guidelines, failure to award the contract to Leslie's is not practicable because it would adversely affect the Sacramento economy.

After taking into account all bid evaluation adjustments (such as for a small or emerging business, having an office in the City limits and offering a discount for

quick payment), Leslie's submitted the lowest bid for each of the three groups of chemicals. Pursuant to the Guidelines, for contracts valued at \$250,000 or less, a difference that exceeds the lesser of 10% of the contract price or \$25,000 is deemed significant. Whether the bid evaluation results are considered separately for each of the three groups of chemicals or they are considered in the aggregate, the second-lowest bid evaluation results are more than 10% higher than the bid evaluation results for Leslie's (specifics of each bid can be found in Attachment 1 beginning on page 5). As a result, awarding the contract to the second-lowest bidder(s) would result in a significant additional cost to the City.

Staff recommends awarding the contract to Leslie's, an Arizona-headquartered company, because in accordance with the Guidelines failure to award the contract to Leslie's is not practicable and it would result in significant additional cost to the City.

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 Considerations: The chemicals to be purchased are required in order 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 muriatic acid, sodium bicarbonate and calcium chloride. 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.

On April 8, 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 five groups of chemicals. Eight responses to the Invitation For Bid were received, although not all respondents provided bids for all five groups of chemicals. The lowest responsive and responsible bidder for Groups III, IV and V

was determined to be Leslie's. A summary of the bid results is provided in Attachment 1.

Although swimming pool hours have been reduced, the Department is required to continue to maintain the water quality in all pools and fountains. The one-year contract would allow Parks and Recreation to purchase the potential maximum amount of chemicals this year without seeking additional authority. However, only the amount of chemicals necessary to support approved operations will be purchased.

Financial Considerations: There are sufficient funds available in the Department of Parks and Recreation's operating budget to support the maximum purchase of chemicals for \$31,901 from Leslie's in FY2010/11.

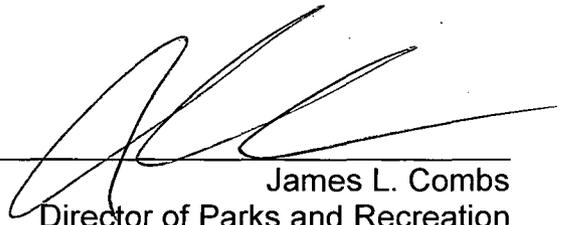
Emerging Small Business Development (ESBD): Leslie's is not certified as an Emerging/Small Business Enterprise (ESBE).

Respectfully submitted by



David Mitchell
Operations Manager

Approved by:



James L. Combs
Director of Parks and Recreation

Recommendation Approved:


Gus Vina
Interim City Manager

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SUMMARY OF BID EVALUATION RESULTS FOR BID NO. B10190015212

After taking into account all bid evaluation adjustments (such as for a small or emerging business, having an office in the City limits and offering a discount for quick payment), Leslie's submitted the lowest bid for three groups of chemicals, whether each group is considered separately or all three groups are considered in the aggregate.

The table below shows the bid evaluation results for each group of chemicals separately and in the aggregate. The lowest bids and the second-lowest bids are shown. More details about each bid can be found in the following pages. In each case the second-lowest bids are more than 10% higher than the lowest bids, making the difference significant as defined in the Guidelines established to administer the Boycott Resolution.

Group	Lowest Bid		Second-Lowest Bid		Difference	
	Company	Amount	Company	Amount	Amount	Percent
III	Leslie's	\$23,078.14	Sierra - W Sac	\$28,954.69	\$5,876.55	25.5%
IV	Leslie's	\$4,948.56	General Pool	\$5,562.56	\$614.00	12.4%
V	Leslie's	\$2,597.99	General Pool	\$2,960.72	\$362.73	14.0%
III, IV & V	Leslie's	\$30,624.69	Sierra - W Sac	\$39,815.55	\$9,190.86	30.0%

**SUMMARY OF BID EVALUATION RESULTS FOR BID NO. B10190015212
Group III – Muriatic Acid**

Bid Category (includes sales tax and delivery)	California Steam	Chem Quip	General Pool and Spa Supply	Leslie's Poolmart
Price Group III	\$60,756.49	\$33,686.81	No bid	\$24,039.73
5% ESBE Preference	<\$3,037.82>	None	None	None
Prompt Payment Discount	None ⁽¹⁾	None	None	None
1% City Tax Preference	None	<\$336.87>	None	<\$240.40>
Electronic Funds Discount	None	None	None	<\$721.19> ⁽²⁾
Evaluation Total	\$57,718.66	\$33,349.94	No bid	\$23,078.14

Bid Category (includes sales tax and delivery)	Lincoln Equipment	Sierra Chemical – Sparks, NV	Sierra Chemical – West Sac	Univar USA
Price Group III	\$32,063.72	\$32,528.63	\$28,954.69	Non-responsive ⁽³⁾
5% ESBE Preference	None	None	None	None
Prompt Payment Discount	None	None	None	None
1% City Tax Preference	None	None	None	Non-responsive ⁽³⁾
Electronic Funds Discount	None	None	None	None
Evaluation Total	\$32,063.72	\$32,528.63	\$28,954.69	Non-responsive ⁽³⁾

- (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.
- (3) The bid submitted by Univar for Price Group III did not include prices for all items in the Group and changed the product specifications and quantities, making its bid for this Group non-responsive.

**SUMMARY OF BID EVALUATION RESULTS FOR BID NO. B10190015212
Group IV – Sodium Bicarbonate**

Bid Category (includes sales tax and delivery)	California Steam	Chem Quip	General Pool and Spa Supply	Leslie's Poolmart
Price Group IV	\$21,728.25	\$7,193.81	\$5,562.56	\$5,154.75
5% ESBE Preference	<\$1,086.41>	None	None	None
Prompt Payment Discount	None ⁽¹⁾	None	None	None
1% City Tax Preference	None	<\$71.94>	None	<\$51.55>
Electronic Funds Discount	None	None	None	<\$154.64> ⁽²⁾
Evaluation Total	\$20,641.84	\$7,121.87	\$5,562.56	\$4,948.56

Bid Category (includes sales tax and delivery)	Lincoln Equipment	Sierra Chemical – Sparks, NV	Sierra Chemical – West Sac	Univar USA
Price Group IV	\$6,851.25	\$7,014.38	\$7,259.06	\$7,950.71
5% ESBE Preference	None	None	None	None
Prompt Payment Discount	None	None	None	None
1% City Tax Preference	None	None	None	<\$79.51>
Electronic Funds Discount	None	None	None	None
Evaluation Total	\$6,851.25	\$7,014.38	\$7,259.06	\$7,871.21

(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 EVALUATION RESULTS FOR BID NO. B10190015212
Group V – Calcium Chloride

Bid Category (includes sales tax and delivery)	California Steam	Chem Quip	General Pool and Spa Supply	Leslie's Poolmart
Price Group V	\$7,604.89	\$4,110.75	\$2,960.72	\$2,706.24
5% ESBE Preference	<\$380.24>	None	None	None
Prompt Payment Discount	None ⁽¹⁾	None	None	None
1% City Tax Preference	None	<\$41.11>	None	<\$27.06>
Electronic Funds Discount	None	None	None	<\$81.19> ⁽²⁾
Evaluation Total	\$7,224.64	\$4,069.64	\$2,960.72	\$2,597.99

Bid Category (includes sales tax and delivery)	Lincoln Equipment	Sierra Chemical – Sparks, NV	Sierra Chemical – West Sac	Univar USA
Price Group V	\$3,915.00	\$3,915.00	\$3,601.80	\$5,056.88
5% ESBE Preference	None	None	None	None
Prompt Payment Discount	None	None	None	None
1% City Tax Preference	None	None	None	<\$50.57>
Electronic Funds Discount	None	None	None	None
Evaluation Total	\$3,915.00	\$3,915.00	\$3,601.80	\$5,006.31

- (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 EVALUATION RESULTS FOR BID NO. B10190015212
Groups III, IV and V in the Aggregate**

Bid Category (includes sales tax and delivery)	California Steam	Chem Quip	General Pool and Spa Supply	Leslie's Poolmart
Price Groups III, IV and V	\$90,089.63	\$44,991.38	Not comparable ⁽³⁾	\$31,900.73
5% ESBE Preference	<\$4,504.48>	None	None	None
Prompt Payment Discount	None ⁽¹⁾	None	None	None
1% City Tax Preference	None	<\$449.91>	None	<\$319.01>
Electronic Funds Discount	None	None	None	<\$957.02> ⁽²⁾
Evaluation Total	\$85,585.14	\$44,541.46	Not comparable ⁽³⁾	\$30,624.70

Bid Category (includes sales tax and delivery)	Lincoln Equipment	Sierra Chemical – Sparks, NV	Sierra Chemical – West Sac	Univar USA
Price Groups III, IV and V	\$42,829.97	\$43,458.00	\$39,815.55	Not comparable ⁽⁴⁾
5% ESBE Preference	None	None	None	None
Prompt Payment Discount	None	None	None	None
1% City Tax Preference	None	None	None	Not comparable ⁽⁴⁾
Electronic Funds Discount	None	None	None	None
Evaluation Total	\$42,829.97	\$43,458.00	\$39,815.55	Not comparable ⁽⁴⁾

(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.

(3) General Pool did not bid on Price Group III, so a comparison of bids for Groups III, IV and V in the aggregate is not possible.

(4) The bid submitted by Univar for Price Group III did not include prices for all items in the Group and changed the product specifications and quantities, so a comparison of bids for Groups III, IV and V in the aggregate is not possible.

RESOLUTION NO. 2010-
Adopted by the Sacramento City Council
AWARDING A CONTRACT FOR THE
PURCHASE OF SWIMMING POOL CHEMICALS

BACKGROUND

- A. The Parks and Recreation Department has an ongoing need to purchase a variety of chemicals required to operate and maintain the City's swimming pools, wading pools and fountains.
- B. On April 8, 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 five groups of chemicals. Eight responses were received, although not all respondents provided bids for all five groups.
- C. On June 22, 2010, City Council authorized the award of a contract to Lincoln Equipment, Inc., in the amount of \$305,990 for two of the groups of chemicals - calcium hypochlorate (Group I) and sodium hypochlorate (Group II).
- D. The lowest responsive and responsible bidder for the remaining three groups of chemicals - muriatic acid (Group III), sodium bicarbonate (Group IV) and calcium chloride (Group V) - was Leslie's Poolmart, Inc, d/b/a Leslie's Swimming Pool Supplies (Leslie's) with a total bid for Fiscal Year (FY) 2010/11, exclusive of all bid evaluation adjustments, of \$31,900.73.
- E. Leslie's is headquartered in the state of Arizona. However, the proposed contract award is consistent with City Council Resolution 2010-346, which calls for a boycott of businesses headquartered in the state of Arizona (Boycott Resolution), because it is not practicable to award the contract to the second-lowest bidder(s), and awarding the contract to the second-lowest bidder(s) would result in a significant additional cost to the City.
- F. Leslie's provides a benefit to the local economy because it has a commercial sales and service office at 4641 Pell Drive and retail stores at 4740 Natomas Boulevard and 7215 Greenhaven Drive, all within the Sacramento city limits. Pursuant to the City Manager-approved guidelines for implementing the Boycott Resolution (Guidelines), failure to award the contract to Leslie's is not practicable because it would adversely affect the Sacramento economy.
- G. Whether the bid evaluation results are considered separately for each of the three groups of chemicals, or they are considered in the aggregate, the second-lowest bid evaluation results are more than 10% higher than the bid evaluation results for

Leslie's. Pursuant to the Guidelines, awarding the contract to the second-lowest bidder(s) would result in a significant additional cost to the City.

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

- Section 1. A one-year contract is awarded to Leslie's Poolmart, Inc., d/b/a Leslie's Swimming Pool Supplies, the lowest responsive and responsible bidder, for the purchase of chemicals in an amount not to exceed \$31,901 for Fiscal Year (FY) 2010/11.
- Section 2. The City Manager is authorized to execute the contract and the required purchase order for FY2010/11.