



Council Meeting: November 17, 2009

SUBJECT: Award of Contract for Liquid Chlorine and Liquid Sulfur Dioxide (#F0909-28)

BACKGROUND

Approval is requested to award a one-year contract, in an amount not-to-exceed \$202,748, to Sierra Chemical Company of Sparks, Nevada, for the provision of liquid chlorine and liquid sulfur dioxide for use in the wastewater and recycled water treatment processes at the Water Pollution Control Plant (WPCP).

DISCUSSION

The City buys liquid chlorine and liquid sulfur dioxide in bulk to reduce unit costs. Because both of these materials are volatile and create safety risks when stored in bulk, the WPCP stores the chemicals in one-ton containers, which strikes a balance between improved safety and favorable pricing.

Bid specifications were prepared by Public Works and Purchasing staff, three potential suppliers were directly notified and the bid document was advertised on the City's Internet site and broadcast to potential suppliers through the Onvia DemandStar public procurement network. Sealed bids were publicly opened on October 21, 2009.

One responsive and responsible bid was received from Sierra Chemical Company of Sparks, Nevada. The bid prices were as follows: liquid chlorine, \$459/ton and sulfur dioxide, \$472.21/ton. These prices represent significant decreases from the current pricing of \$529.90 for liquid chlorine and \$490.90 for sulfur dioxide. However, the previous year's prices were much lower at \$419.90 for liquid chlorine and \$415.90 for sulfur dioxide. Market prices are expected to remain volatile.

FISCAL IMPACT

Budgeted funds are available in Program 344 – Wastewater Treatment.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

RECOMMENDATION

It is recommended that Council award a one-year contract, in substantially the same form as the attached draft purchase order, and in an amount not to exceed \$202,748 to Sierra Chemical Company of Sparks, Nevada.

Reviewed by:

Mary J. Bradley, Director of Finance

Prepared by: Pete Gonda, Senior Management Analyst, Finance

Reviewed by:

Marvin Rose, Director of Public Works

Approved by:

Gary M. Luebbers

City Manager

Attachments

A. Draft Blanket Purchase Order



ORDERED FROM 07024 - 001 Sierra Chemical Co 2302 Larkin Circle Sparks, NV 89431 (702) 358-0888	ORDER DATE	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	EFFECTIVE DATE 11/18/2009	
	EXPIRATION DATE 11/17/2010	
	CONTRACT AMOUNT \$202,747.79	
REQUISITIONING DEPARTMENT (9042) DPW/WPCP - Operations	FOB DEST	FREIGHT CHARGES Destination, freight included in price
	PAYMENT TERMS N/30	BID NO

ITEM	DESCRIPTION	UNIT	UNIT COST
1	Liquid Chlorine, one ton cylinder	TN	\$459.0000
2	Liquid Sulfur Dioxide, one ton cylinder Products to be supplied in accordance with all terms, conditions and specifications of Invitation for Bids No. F00909-28, which opened 10/21/2009. Awarded by Council on 11/17/2009, RTC # _____ Purchase Requisition RQ005486	TN	\$472.2100

AUTHORIZED DEPARTMENT(S)		
NO	DEPT NAME	RELEASE AMT
9042	DPW/WPCP - Operations	\$50,000.00

DOCUMENT TERMS

Invoices must reference the purchase order number. Failure to include the purchase order number on the invoice will result in a delay in payment processing.

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 1/15/2000, a copy of which is attached and incorporated by reference (Form #TCBPO-G).

BUYER:

Dietz, Noel

PHONE (408) 730-7399 **FAX** (408) 730-7710