

CITY OF HIGH POINT

AGENDA ITEM



Title: Contract Extension for Liquid Aluminum Sulfate

From: Terry Houk – Public Services Director
Derrick Boone – Asst. Director Public Services
Wendell Pickett, Water Plant Superintendent

Meeting Date: February 5, 2018

Public Hearing: No

Advertising Date: November 8, 2015

Advertised By: Purchasing

Attachments: Attachment A – Signed extension letter

PURPOSE:

This chemical product is used at the City's Water and Wastewater Treatment Facilities for treatment plant processes.

BACKGROUND:

Alum is used at the Ward Plant for coagulation. It is used at Eastside and Westside WWTP for phosphorous control. This contract is for the supply of chemical to each of the following plants:

Ward Water Treatment Plant (WTP)
Eastside Wastewater Treatment Plant (WWTP)
Westside Wastewater Treatment Plant (WWTP)

This renewal will be for one year with Chemtrade (Bid # 20-012115) at a 4.2% increase from \$239 per dry ton to \$249 per dry ton.

BUDGET IMPACT:

Funds are available in the 2017-2018 Annual Budget.

RECOMMENDATION / ACTION REQUESTED:

The Public Services Department is recommending that Council approve this contract extension to Chemtrade Chemicals USA LLC in the amount of \$399,894.00.



**FORMAL BID RECOMMENDATION
REQUEST FOR COUNCIL APPROVAL**

DEPARTMENT: **Public Services**

COUNCIL AGENDA DATE: **February 5, 2018**

BID NO.: **20-012115** CONTRACT NO.: DATE OPENED:

DESCRIPTION:
Chemical contract renewal for Alum.

PURPOSE:
This chemical product is used at the City's Water and Wastewater Treatment Facilities for treatment plant processes. Alum is used at the Ward Plant for coagulation. It is used at Eastside and Westside WWTP for phosphorous control.

COMMENTS:
This renewal will be for one year with Chemtrade (Bid # 20-012115) at a 4.2% increase from \$239 per dry ton to \$249 per dry ton.

RECOMMEND AWARD TO: **Chemtrade** AMOUNT: **\$399,894.00**

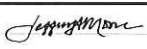
JUSTIFICATION:
The contract with Chemtrade was approved March 1, 2015 by City Council. This is the final year of a 2-year renewal option.

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
621758	526103			249,000.00
621752	526103			87,150.00
621753	526103			63,744.00
TOTAL BUDGETED AMOUNT				\$399,894.00

DEPARTMENT HEAD: **Terry Houk** Digitally signed by Terry Houk
DN: cn=Terry Houk, o=City of High Point, ou=Public Services, email=terry.houk@highpointnc.gov, c=US
Date: 2018.01.24 15:22:31 -0500 DATE: **Jan 24, 2018**

The Purchasing Division concurs with recommendation submitted by the **Public Services and recommends award to the lowest responsible, responsive bidder **Chemtrade** in the amount of \$ **399,894.00**.**

PURCHASING MANAGER: **Erik Conti** Digitally signed by Erik Conti
DN: cn=Erik Conti, o, ou,
email=erik.conti@highpointnc.gov, c=US
Date: 2018.01.25 08:36:53 -0500 DATE: **Jan 25, 2018**

Approved for Submission to Council
FINANCIAL SERVICES DIRECTOR:  Digitally signed by Jeffrey A. Moore
DN: cn=Jeffrey A. Moore, o=City of High Point, ou,
ou=Financial Services Director,
email=jfmoore@highpointnc.gov, c=US
Date: 2018.01.26 09:25:03 -0500 DATE: **Jan 26, 2018**

CITY MANAGER: **Greg Demko** Digitally signed by Greg Demko
DN: cn=Greg Demko, o=High Point, ou=High Point,
email=greg.demko@highpointnc.gov, c=US
Date: 2018.01.29 08:27:36 -0500 DATE: **Jan 26, 2018**



December 8, 2017

Ms. Libby rush
City of High Point - Buyer, Finance
211 S Hamilton, Room 215
High Point, NC 27260

RE: Bid #49-020316 for Liquid Aluminum Sulfate

Dear Ms. Rush,

As you are aware, Chemtrade currently supplies the City of High Point with the product Liquid Aluminum Sulfate (Alum) under Bid # 49-020316. Chemtrade has been supplying this product for many years, and have supplied under the current bid contract since March 2016.

Over the past year Chemtrade has incurred cost increases for the Alum we manufacture and deliver to the City of High Point. Most notably, the increases have to do with higher costs of Sulfuric Acid, although we have also seen increases in aluminum bauxite, freight and plant overhead for maintaining trucks and keeping and paying responsible, qualified, and safety minded employees and equipment.

Chemtrade's costs for producing Alum are expected to increase by over \$15 per dry ton for 2018. Chemtrade would appreciate the consideration of an extension of the current bid contract for an additional term with a price increase of \$10.00 per dry ton (4.2%) to assist with the mentioned cost increases we have seen. The current price is \$239 per dry ton, and the new requested price would be \$249 per dry ton. The new price would be effective and held firm for the next contract period of March 1, 2018 through February 28, 2019.

Chemtrade values the long standing relationship we have with the City of High Point, and we look forward to continuing our relationship and business for a long time to come.

Regards,

Paul Peters
Business Manager
Chemtrade Chemicals US