

Environment Committee

Meeting date: July 12, 2016

For the Metropolitan Council meeting of July 13, 2016

Subject: Bulk Chemical Contracts for MCEs Wastewater Treatment Plants
District(s), Member(s): All
Policy/Legal Reference: Council Policy 3-3 Expenditures – Procurement of Goods and Services
Staff Prepared/Presented: Larry Rogacki, 651-602-8225
Division/Department: MCEs C/O Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council authorize its Regional Administrator to award and execute unit price contracts, for up to four year terms, to the following companies:

Hawkins Chemicals, Inc. for the procurement of Sodium Hydroxide Solution (Caustic Soda) in an amount not to exceed \$1,510,354;

DPC Industries for Sodium Hypochlorite in an amount not to exceed \$2,075,429;

Hydrite, Inc. for Sodium Bisulfite in an amount not to exceed \$955,056;

C&S Chemicals, Inc. for Liquid Aluminum Sulfate in an amount not to exceed \$2,557,522; and

PVS Technologies, Inc. for Ferric Chloride in an amount not to exceed \$1,599,840

Background

Procurement of goods and services for amounts exceeding \$500,000 requires Council approval.

Rationale

Bids were solicited to supply several process chemicals for MCEs facilities for a 4-year period. A formal Invitation for Bids was issued and responses were received from eight (8) potential suppliers.

Responders were able to bid on one or all chemicals as well one or more quantity lines per chemicals.

Due to the large variation in prices and sporadic nature of the business unit demand, small quantity chemical orders will be procured separately on an as-needed basis. For large quantity chemicals, bids were awarded based on the lowest total cost to the Council as follows:

<u>Supplier</u>	<u>Estimated Annual Quantity</u>	<u>Price</u>
Hawkins Chemicals, Inc.		
Sodium Hydroxide (Deliveries 1,000 - 2,499 gallons)	100,000 gallons	\$1.64/gallon
Sodium Hydroxide (Deliveries greater than 2,500 gallons)	150,000 gallons	\$1.40/gallon



<u>Supplier</u>	<u>Estimated Annual Quantity</u>	<u>Price</u>
DPC Industries, Inc.		
Sodium Hypochlorite (Deliveries 1,000 - 2,499 gallons)	65,000 gallons	\$0.75/gallon
Sodium Hypochlorite (Deliveries greater than 2,500 gallons)	685,000 gallons	\$0.66/gallon
Hydrite, Inc.		
Sodium Bisulfite (Deliveries 1,000 - 2,499 gallons)	5,000 gallons	\$3.88/gallon
Sodium Bisulfite (Deliveries greater than 2,500 gallons)	175,000 gallons	\$1.24/gallon
C&S Chemical, Inc.		
Aluminum Sulfate (Deliveries 1,000 - 2,499 gallons)	95,000 gallons	\$1.19/gallon
Aluminum Sulfate (Deliveries greater than 2,500 gallons)	500,000 gallons	\$1.04/gallon
PVS Technologies, Inc.		
Ferric Chloride (Deliveries greater than 2,500 gallons)	400,000 gallons	\$0.99/gallon

Funding

The purchase orders will be for a period of two (2) years at a fixed price and an optional two (2), one (1) year renewals with a maximum 5% cap each year based on verifiable increases in cost to the supplier.

Estimated expenditures for these process chemicals are \$8,698,201 over the four-year period. Funds are available through the annual operating budget of each facility utilizing the chemicals.

Known Support / Opposition

None