



HISTORIC
FRANKLIN
TENNESSEE

ITEM #16
WRKS 06/12/2012

MEMORANDUM

May 31, 2012

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator *ES*
Russell Truell, Assistant City Administrator / CFO
Mark Hilty, Water Management Director
Brian Wilcox, Purchasing Manager

SUBJECT: Consideration of four (4) bid awards for the supply and delivery upon demand of each of the following wastewater treatment chemicals for a minimum of twelve (12) months: sodium hypochlorite (Purchasing Office Procurement Solicitation No. 2012-031), sodium hydroxide (2012-032), muriatic acid (hydrochloric) (2012-033), and sludge polymer (2012-034), all for the Water Reclamation Facility Division of the Water Management Department

Purpose

The purpose of this procurement is to establish unit pricing for certain chemicals used in the routine operation of the City's Wastewater Treatment Facility. The supply and delivery of these chemicals is to be on demand on an as-needed (just-in-time) basis. Pricing is to be established for a minimum of twelve (12) months effective July 1, 2012, with two (2) options to extend the pricing for up to twelve (12) months each extension, for a possible total term of 36 months. The chemicals are sodium hypochlorite (Purchasing Office Procurement Solicitation No. 2012-031), sodium hydroxide (2012-032), muriatic acid (hydrochloric) (2012-033), and sludge polymer (2012-034).

Background

The City published on May 10, 2012 a Notice to Bidders in the *Williamson Herald* for supply and delivery upon demand of each of the following wastewater treatment chemicals for a minimum of twelve (12) months: sodium hypochlorite, sodium hydroxide, muriatic acid (hydrochloric), and sludge polymer, each being bid independently. In addition, bid documents were sent on or about the same date directly to 18 potential bidders known or thought to be interested in this solicitation. Bids were publicly opened at the bid opening held on May 24, 2012. For each of the four (4) separate competitions, a tabulation of the bids received is attached.

Financial Impact

The Water Reclamation Facility Division of the Water Management Department budget for fiscal year 2013 has not yet been adopted but is proposed to allocate funds out of the Sewer Fund for the purchase of wastewater treatment chemicals. The first three chemicals would be allocated to general ledger account no. 431-83221-52213, and the sludge polymer would be allocated to general ledger account no. 431-83299-52213. The following table summarizes the results of the bid process:



Purchasing Office Procurement Solicitation No.	Chemical	Number of vendors submitting bids	Vendor submitting the apparent lowest, most responsive and responsible bid	Delivered bid price per unit of measurement	Specified estimated quantity for 12 months ¹	Total delivered bid price for specified estimated quantity for 12 months
2012-031	sodium hypochlorite	2	American Development Corp. of Fayetteville, TN	\$1.57 per gallon	65,000 gallons	\$102,050.00
2012-032	sodium hydroxide	2	American Development Corp. of Fayetteville, TN	\$1.54 per gallon	20,000 gallons	\$30,800.00
2012-033	muriatic acid (hydrochloric)	1	Greenway Products, Inc. of Knoxville, TN	\$2.52 per gallon	2,200 gallons	\$5,544.00
2012-034	sludge polymer	3	Jones Sales Co. of Humboldt, TN	\$1.37 per pound	23,000 pounds	\$31,510.00

The bids identified above represent the lowest bids that meet or exceed the City’s intention as expressed and implied by the City’s specifications as well as the instructions, terms and conditions pertaining to these procurement solicitations.

By comparison with the unit pricing being paid by the City currently, which unit pricing was established by competitive process conducted in 2009, the 2012 unit pricing for the two sodium chemicals is unchanged, the 2012 unit pricing for the muriatic acid is \$0.14 (6%) higher, and the 2012 unit pricing for the polymer is \$0.20 (13%) lower.

Options

In accordance with the bid documents, the City reserves the right to reject any and all bids.

Recommendation

Staff recommends that the City accept, on a per unit basis, the apparent lowest best bids as identified above for the specified chemicals for a minimum of twelve (12) months effective July 1, 2012, with two (2) options to extend the pricing for up to twelve (12) months each extension, for a possible total term of 36 months. Purchasing Manager Brian Wilcox is of the opinion that the prepared specifications as distributed allowed for competition among multiple vendors, and that the staff recommendation appears to be made in a fair and impartial manner based upon the bids received.

¹ Bidders were advised and cautioned that the indicated estimated quantities represent only approximate projections and do not represent guaranteed minimums or maximums.

Tabulation of Bids*

Purchasing Office Solicitation No.:	2012-031 (sodium hypochlorite)
Notice to Bidders published in the <i>Williamson Herald</i> on:	5/10/12
Number of vendors that were notified of / that responded to this solicitation for bids:	18 / 2
Date and time bids due and publicly opened:	5/24/12 2:00 PM
Present at opening of bids:	Chuck Page of American Development Corp.; Wayne Davenport of the City of Franklin Water Management Department; and Martha Garland and Brian Wilcox of the City of Franklin Purchasing Office
Target meeting of BOMA at which recommendation will be considered:	6/26/12

Bids received from:	Bid No.:	Chemical:	Does the bid MOES ¹ ? / If not, how many exceptions do not MOES ¹ ?	Total delivered bid price, per gallon:	Total delivered bid price for specified estimated quantity for 12-month period:	Delivery terms / Payment terms:	Estimated time of delivery after receipt of order:	Bid price per unit is valid through:
American Development Corp. 821 William D. Jones Blvd. P.O. Box 620 Fayetteville, TN 37334 W. Michael Wetherington, CEO 888/542-8561 mikew@adc-chem.com	1 of 1	sodium hypochlorite	Bidder takes no exceptions	\$1.57	\$102,050.00	FOB destination, freight prepaid / net 30 days	1 day	09/30/12
Greenway Products, Inc. 4320 Greenway Dr. Knoxville, TN 37918 Wesley Sherrod, VP, Operations 800/258-5829, ext. 25 wsherrod@greenwayproductsinc.com	1 of 1	sodium hypochlorite	Bid is conditional upon bidder being awarded both 2012-031 and 2012-032	\$1.85	\$120,250.00	FOB destination, freight prepaid / net 30 days	3 days	08/01/12

¹MOES indicates "meet(s) or exceed(s) specifications"

*Shaded bid is apparent lowest best bid