



City Council Report

Date: July 8, 2014
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Three-Year Term Contract for Replacement Filter Membrane Panels for the Water Resources Department **(Sole Source) (Citywide) (Funded by the GWRP partners, 41.8% Mesa, 39.8% by Gilbert and 18.4% by Queen Creek)**

Purpose and Recommendation

Council is requested to approve the Term Contract for Filter Membrane Panels as recommended.

Water Resources and Purchasing recommend awarding the contract to the sole source vendor, Kruger, Inc. at \$50,000 annually, based on estimated requirements.

Background / Discussion

This contract will provide filter membrane panels for the Greenfield Water Reclamation Plant (GWRP) Tertiary Disc Filters. Kruger Hydrotech filters are currently in service at GWRP. There are 400 panels per filter with 6 filters in service at the plant, a grand total of 2,400 filters. These filters have been experiencing an unusually high amount of filter replacement due to failures and reaching their end of life cycle (seven years).

Water Resources replaced 175 panels over the past year and has budgeted additional funding of \$50,000 for three years until all of the remaining old panels have been replaced. Staff anticipates replacing 300 panels each year over the next three years. The 300 panels would allow GWRP to maintain readiness levels of spares to handle multiple failures and also allow building a sufficient inventory for future use.

Kruger has quoted guaranteed pricing of \$113.47 per panel for a three-year period. The vendor was previously charging \$168 per panel. This is a cost savings of \$48,000.00 over three years.

These filter membrane panels are of a proprietary design and are manufactured in-house and distributed by Kruger, Inc. exclusively. Kruger, Inc. is the sole source in the United States for this product.

Alternatives

Council may choose not to authorize the purchase and new responses will be solicited.

Fiscal Impact

The total amount of \$50,000 is available in the Water Resources operating budget through the Enterprise Fund - Wastewater Sub Fund. (Funded by the GWRP partners, 41.8% Mesa, 39.8% by Gilbert and 18.4% by Queen Creek)

Coordinated With

Water Resources – Wastewater Utility and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Sole Source

Solicitation Number: 2014171

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Contract Term: Three years

Pricing Available to Other Cooperative Agencies: No

AWARD RECOMMENDATION

Kruger, Inc.

Raleigh, NC

Description
HSF3110-2F disc filter units per Quote 061114 dated 6/11/2014
Quantity 150 - VWS#: CFCFGU201084, 10 Micron Filter Panel, Right-Hand - \$113.47 each
Quantity 150 - VWS#: CFCFGU201084, 10 Micron Filter Panel, Left-Hand - \$113.47 each
Annual Contract Amount: <u>\$50,000.00*</u>
*Includes 5.6% Use Tax and \$14,000 contingency for unforeseen panel failures