



# City Council Report

**Date:** December 1, 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:** Dollar Limit Increase to the Term Contract for Bulk Methanol for Wastewater Treatment for the Water Resources Department **(Citywide)**

## Purpose and Recommendation

Council is requested to approve a dollar limit Increase to the Term Contract for Bulk Methanol for Wastewater Treatment as recommended.

Water Resources and Purchasing recommend authorizing a dollar limit increase of \$50,000.00, increasing the annual contract amount from \$185,000.00 to \$235,000.00 through the three-year contract term.

## Background / Discussion

On November 4, 2013, Council approved the initial two-year contract. On January 13, 2014, Council approved an additional one-year term to correct the initial contract term from two years, to three years per the bid solicitation.

This contract provides bulk methanol including delivery for the Northwest Water Reclamation Plant (NWRP), and is not used at Mesa's other water reclamation plants. Over the last eight years, the use of methanol at the NWRP has varied considerably.

The plant uses bulk methanol as a carbon source to assist the biological nutrient removal (BNR) process in removing nitrogen from the water produced. Nitrogen levels in the effluent discharged have strict limits enforced by the Arizona Department of Environmental Quality.

In 2014, during a miscellaneous improvement project, a known air leak in the BNR process was corrected. In doing this, the BNR requires an extra carbon feed to maintain the permit. Water Resources anticipates bulk methanol usage will continually increase each year, and has requested to increase the annual contract amount by \$50,000.00 annually, through the contract term.

## Alternatives

Council may choose not to authorize the increase and new bids will be obtained.

## Fiscal Impact

The annual contract amount is funded by the Water Resources department operating budget through the Enterprise Fund, Wastewater Sub Fund.

## Coordinated With

Water Resources – Wastewater Utility and Purchasing

## PURCHASING INFORMATION

Action: Dollar Limit Increase

Procurement Type: Request for Bids

Solicitation Number: 2014049

Responses Received: Three

Contract Term: 11/1/2014 through 12/31/2016

## September 19, 2013 Responses:

|  |         |                         |
|--|---------|-------------------------|
| Tarr, LLC<br>Phoenix, AZ                       | Mark-up | \$0.24/gallon (Awarded) |
| Western States Petroleum, Inc.<br>Phoenix, AZ  | Mark-up | \$0.2541/gallon         |
| Brenntag Pacific, Inc.<br>Sante Fe Springs, CA | Mark-up | \$0.53/gallon           |

## "No Bid" Response received from:

Logicalis – Tempe, AZ

Thatcher Co. of Arizona – Buckeye, AZ

Univar USA Inc. – Kent, WA

## DOLLAR LIMIT INCREASE RECOMMENDATION

*Terra Renewal Services, Inc.*

Richardson, TX

| Description  |                            |
|--|----------------------------|
| Bulk Methanol for Wastewater Treatment per Terms and Conditions, Specifications and Pricing as offered |                            |
| Original Award, 1/13/2014  | \$160,000.00               |
| Increase, Administratively approved, 11/29/2014 – Current Limit  | \$25,000.00                |
| Increase Request, December 1, 2014   | <u>\$50,000.00</u>         |
| <b>New Annual Contract Amount (through 12/31/2016)</b>   | <b><u>\$235,000.00</u></b> |