



City Council Report

Date: June 6, 2016
To: City Council
Through: Alex Deshuk, Chief Innovation Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Three-Year Renewal of the Term Contract for Odor Control Service for the Water Resources Department **(Sole Source) (Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Odor Control Service as recommended.

The Water Resources Department and Purchasing recommend authorizing a three-year renewal with the sole source vendor, U.S. Peroxide, LLC at \$124,000 annually, based on estimated requirements.

Background / Discussion

This contract provides a Peroxide Regenerated Iron-Sulfide Control (PRI-SC) service which is an essential component of the City's odor control efforts for the Cubs Spring Training facility and Riverview Park area. Brooks Sulfide Control Station doses hydrogen peroxide to the central Mesa Interceptor, which flows to the Northwest Water Reclamation Plant. This facility is run by U.S. Peroxide under a lease agreement.

On October 15, 2012, Council approved the initial three-year contract with renewal options. This is a three-year renewal option with one, three-year renewal option remaining.

US Peroxide, LLC provides a full service PRI-SC technology that includes all the equipment for dosing hydrogen peroxide including the installation, operation and maintenance of the equipment. Past experience has proven that a full service contract is much more cost-effective than constructing and operating a complicated station using in-house resources. Other firms cannot provide the full service of the PRI-SC technology since US Peroxide holds the patent and must purchase from US Peroxide.

U.S. Peroxide offered to renew the contract with an overall increase of 4.8% for increases to raw materials and cost of maintenance/service. The vendor agreed to a three-year renewal offering full service 27% standard grade hydrogen peroxide PRI-SC program at \$2.62/gallon (\$0.12/gallon increase from \$2.50/gallon). The City has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

PRI-SC® / PRI-CEPT® is a proprietary and patented process technology from US Peroxide, LLC.

Alternatives

Council may choose not to authorize the renewal.

Fiscal Impact

The annual contract amount is available in Water Resources Department operating budget through the Enterprise Fund, Wastewater Sub Fund.

Coordinated With

Water Resources Department - Wastewater Utility, and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Sole Source

Solicitation Number: 2012189

Initial Contract Term: 10/16/2012 through 6/30/2016

Renewal Term: Three Years (7/1/2016 through 6/30/2019)

Renewal Terms Remaining: One, Three-Year Term

RENEWAL RECOMMENDATION

U.S. Peroxide, LLC

Atlanta, GA

Description
Full service PRI-SC® technology per Contract No. 2012189, Terms and Conditions, Specifications and Pricing as offered
Annual Contract Amount: <u>\$124,000</u>