



City Council Report

Date: July 1, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Three-Year Renewal of the Term Contract for Odor Control Service for the Water Resources Department **(Sole Source) (Citywide)**

Recommendation

Council is requested to approve the contract renewal as recommended.

The Water Resources Department and Purchasing recommend authorizing the renewal with the sole source vendor, U.S. Peroxide, LLC at \$145,000 annually, based on estimated usage.

Background / Discussion

The vendor provides chemical (hydrogen peroxide) and operates and monitors the City's Brooks Sulfide Control Station, which is located on the Center Mesa Interceptor (CMI). The site has provided reliable odor control on the CMI for the Cubs Spring Training Facility and Riverview Park area, since its installation.

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. Experience has proven that a full-service contract is 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 U.S. Peroxide holds the patent and must purchase from U.S. Peroxide.

U.S. Peroxide offered to renew the contract under the same terms and conditions, and current pricing. The vendor agreed to a three-year renewal offering full service 27% standard grade hydrogen peroxide PRI-SC program at \$2.67/gallon which is a 1.9% increase from our previous price which is less than PPI 3.0%. The cost is not expected to increase significantly except for the inflation. 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 for the last three-year term of the contract.

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

Purchase Information

Action: Renewal (2nd of 2 possible)
Procurement Type: Sole Source

Contract Number: 2012189

Original Council Award Date: 10/15/2012

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

Funding Source: Water Resources Department operating budget through the Enterprise Fund, Wastewater Sub Fund (Operations and Maintenance)