



City Council Report

Date: May 6, 2013
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Alyce Benge, C.P.M., CPPO, Purchasing Administrator
Subject: Two-Year Renewal of the Term Contract for Cationic Emulsion Polymer for the Water Resources Department (Citywide)

Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Cationic Emulsion Polymer as recommended.

Water Resources and Purchasing recommend authorizing a two-year renewal with Polydyne Inc. at \$470,000 annually, based on estimated requirements.

Background / Discussion

This contract provides cationic emulsion polymer is used at the Northwest and Greenfield Water Reclamation Plants. It helps thicken and dewater wastewater sludge which improves the breakdown of wastewater solids. This reduces the City's hauling costs by removing as much water as possible from the sludge.

In 2010, the bid was done as a multi-step process -- Phase I was conducted from September 2009 to March 2010, bids were submitted by vendors to become pre-qualified for the Phase II. Bids were received and pre-qualification tests were performed. Only the vendors that were prequalified were invited to submit bid pricing for Phase II.

On May 17, 2010, Council approved the initial three-year contract with one, two-year renewal option. This is the two-year renewal.

Polydyne Inc. has offered to renew the contract reducing overall pricing by 7.84% from last year's pricing (from \$1.02 / lb. to \$.94 / lb.). This renewal pricing matches the original bid pricing, after a slight increase last year. Inflation for this commodity has increased by 16% since July 2010 (Producer Price Index).

The City has been satisfied with the vendor's product and customer service over the initial three-year term. The vendor has been on contract supplying polymer to the City for the past eight years. Additionally, the extensive testing and qualification process does not lend itself to frequent rebid processes, we are recommending renewal rather than rebid. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Alternatives

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

Fiscal Impact

The total amount of \$470,000 is available in the Water Resources operating budget through the Enterprise Fund, Wastewater Sub Fund.

Coordinated With

Water Resources and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Bids

Solicitation Number: 2009160, Phase II

Responses Received: 5

Initial Contract Term: 7/1/2010 through 6/30/2013

Renewal Term: 7/1/2013 through 6/30/2015

Renewal Terms Remaining: None

Prices: The vendor has maintained pricing for the initial three-year term and has offered to renew the contract reducing the overall pricing by 7.84% from last year's pricing. Inflation for this commodity has increased by 16% since July 2010.

March 31, 2010 Bid Results:

Polydyne Inc.	\$0.94 / lb. - Northwest Plant (Recommended)
Riceboro, GA	\$0.94 / lb. - Greenfield Plant (Recommended)
Ashland Hercules Water Technologies	\$1.15 / lb. - Northwest Plant)
dba Ashland Inc.	\$1.15 / lb. - Greenfield Plant
Wilmington, DE	
BASF (formerly Ciba Corp.)	\$1.19 / lb. - Northwest Plant
Suffolk, VA	No Bid - Greenfield Plant

September 17, 2009 Phase I

Responses received from:

Ashland Hercules Water Technologies dba Ashland Inc. – Wilmington, DE

Ciba Corporation – Suffolk, VA

Polydyne Inc. – Riceboro, GA

No Bid Responses received from:

Kemira Water – Lawrence, KS

Nalco Company – Naperville, IL

Thatcher Company of Arizona – Buckeye, AZ

RENEWAL RECOMMENDATION

Polydyne Inc.

Riceboro, GA

Description
<p>Cationic Polymer Emulsion (Items 1 and 2) per Standard Terms and Conditions, Specifications and Bid (Price Per Pound) Pricing as offered</p> <p>Clarifloc WE-1014 @ \$0.94 / lb. - Northwest Plant Clarifloc WE-1014 @ \$0.94 / lb. - Greenfield Plant</p> <p>Annual Contract Amount: <u>\$470,000</u></p>