

# Agenda Report

To: City Council

Date: July 25, 2005

From : City Manager

Subject: Authorization to enter into a Purchase Order Contract with Airgas Specialty Products to furnish and deliver ammonium hydroxide for the Pasadena Water and Power Department

## RECOMMENDATION:

It is recommended that the City Council:

1. Accept the bid dated May 25, 2005 submitted by Airgas Specialty Products in response to Specifications LD-05-1 for furnishing and delivery of ammonium hydroxide for the Pasadena Water and Power Department;
2. Reject all other bids; and
3. Authorize the issuance of Purchase Order Contract for an amount not-to-exceed \$85,842 for a period of one year.

## BACKGROUND:

Ammonium hydroxide is a chemical product used in the air pollution control equipment at the Broadway and Glenarm Power Plants to meet the air quality standards set by the South Coast Air Quality Management Districts (SCAQMD). It is essential to have a steady supply of ammonium hydroxide for normal operation of power generating units and be in compliance with SCAQMD air quality regulations.

The existing supply contract of ammonium hydroxide will expire in August 2005. In order to meet the Department's continuing need, a specification was prepared.

On April 26, 2005, a Notice Inviting Bids was published in the *Pasadena Star News* and posted on the City's web site. In addition, specifications were mailed to four prospective bidders. On May 31, 2005, the bids were opened. The following are the qualified bidders who responded with their bid prices:

<u>Bidders</u>	<u>Bid Prices</u>
Airgas Specialty Products (Formerly LaRoche Industries, Inc.)	\$85,842.25
Hill Brothers Chemical Co.	\$85,986.88

Airgas Specialty Products is the lowest responsive bidder and is recommended for the award of contract. The original bid was submitted by LaRoche Industries, Inc., to whom Airgas Specialty Products has become the successor in interest effective June 1, 2005.


The proposed contract amount of \$85,842 is based on the annual consumption of the plant and the unit price per ton submitted in the bid to furnish and deliver ammonium hydroxide. The initial term of the contract is one year. The contract has three one-year extension options with prices tied to increases in the consumer price index for the Los Angeles-Orange-Riverside county area. Each extension option will require the approval of the City Manager.

The proposed contract complies with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the rules and regulations promulgated there under.

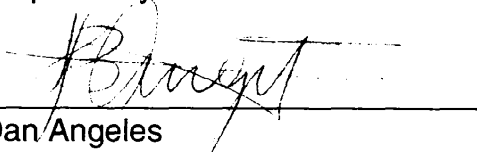
FISCAL IMPACT:

Funding is available from the Power Fund, Operating Budget Account Numbers 8101-401-841200-0548 (90%), and 8101-401-841200-0502 (10%).


Respectfully Submitted,

  
CYNTHIA J. KURTZ  
City Manager

Prepared by:

  
Dan Angeles  
Engineer  
Power Supply Business Unit

Approved by:

  
Phyllis E. Currie  
General Manager  
Pasadena Water and Power