

Agenda Report

June 2, 2014

TO: Honorable Mayor and City Council

FROM: Pasadena Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH JONES CHEMICAL, INC. TO FURNISH AND DELIVER LIQUEFIED CHLORINE GAS FOR THE PASADENA WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Existing Facilities);
2. Accept the bid dated March 25, 2014 submitted by Jones Chemical, Inc., ("JCI") in response to the Notice Inviting Bids for furnishing and delivery of liquefied chlorine gas for the Pasadena Water and Power Department ("PWP"); and,
3. Authorize the issuance of a Purchase Order Contract for an amount not to exceed \$225,453 for an initial term of three years with an option for three additional one-year terms of \$75,151 each at the discretion of the City Manager, and allowing for a unit price increase that shall not exceed the change in the rate of the current Producer Price Index (PPI).

BACKGROUND:

Liquefied chlorine gas is a chemical product regularly used for disinfection of local groundwater at wells and reservoirs throughout the City of Pasadena ("City"). The product is delivered in 150 pound cylinders. It is essential to have a steady supply of liquefied chlorine gas to assure that PWP customers have safe and potable drinking water and that the City remains in compliance with State drinking water regulations. Procuring the services of a qualified vendor to furnish and deliver liquefied chlorine gas cylinders will assure that these needs are met.

PWP prepared the specifications for the subject project in accordance with the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08.

On March 24, 2014, a Notice Inviting Bids for furnishing and delivering liquefied chlorine gas cylinders was advertised in the Pasadena Journal and also posted online through Planet Bids. A total of six vendors received a bid package either by mail or by document download.

Following advertising, one bid was received on April 1, 2014, and is as follows:

<u>Bidder</u>	<u>Bid Price</u>
Jones Chemical Inc., Torrance, CA	\$225,453

Liquefied Chlorine gas is distributed by very few companies in the Southern California area. JCI was the only responsive bidder and is recommended for the award of contract. Staff compared the one bid received to historical data for the same type of liquefied chlorine gas cylinders purchased in the past and determined that the price submitted was competitive.

The proposed contract of \$225,453 is based on annual consumption and unit price per cylinder submitted in the vendor's bid to furnish and deliver liquefied chlorine gas cylinders. The contract has three optional one-year extensions of \$75,151 per year, for a total of \$225,453 for all three extension periods. For the extension periods the vendor may request a unit price increase no greater than the PPI.

The proposed contract with JCI will replace the existing annual purchase order. PWP has not had a multi-year contract with JCI since 2009.

COUNCIL POLICY CONSIDERATION:

The proposed contract supports the City Council's Strategic Goal to effectively manage and improve infrastructure to deliver reliable water and power services.

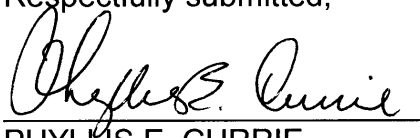
ENVIRONMENTAL ANALYSIS:

The proposed contract has been determined to be exempt from environmental review pursuant to CEQA Guidelines Section 15301 (Existing Facilities). This exemption includes the maintenance, repair and operation relating to existing facilities, mechanical equipment, or structures where there is negligible or no expansion of the use. The proposed contract is for the continued delivery of liquefied chlorine gas cylinders and is required for the disinfection of drinking water. This contract does not involve any facility expansion or capacity increase and provides for the continued operation of the facility.

FISCAL IMPACT:

The maximum cost of this action, if the three optional one-year extensions are approved, is \$450,906. Funding for this action will be addressed by the utilization of the fiscal year 2015 and future budgeted appropriations in the Water Operating Fund 402, under Materials and Supplies account number 8101-402-883000. It is anticipated that \$75,151 will be spent during fiscal year 2015. Assuming that the three options are exercised, the remaining \$375,755 will be spent over the next five fiscal years at \$75,151 per year. The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,



PHYLLIS E. CURRIE

General Manager

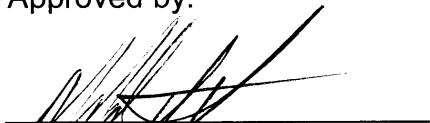
Prepared by:



Holly Imler

Management Analyst

Approved by:



MICHAEL J. BECK

City Manager