



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

9

2. Council Meeting Date:

May 10, 2012

TO: MAYOR & COUNCIL

3. Date Prepared: April 24, 2012

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Amendment 2 to extend the two-year contract WA8-968-2461 for the purchase of Arsenic Filter Media from Severn Trent Water Purification Inc., in an amount not to exceed \$950,000.

6. RECOMMENDATION: Recommend approval of Amendment 2 to extend the two-year contract WA8-968-2461 for the purchase of Arsenic Filter Media from Severn Trent Water Purification Inc., in an amount not to exceed \$950,000.

7. HISTORICAL BACKGROUND/DISCUSSION: In 2006, Municipal Utilities began operating treatment systems to reduce arsenic from drinking water at eight well sites, as required by Federal law. The systems include pressurized vessels containing adsorbent media that removes arsenic from water. Periodically, the media must be replaced to ensure continued compliance with drinking water standards.

The City has experience with four different media. One product failed within three months, one media did not have County approval, and the third showed no evidence of successful use in the field. Severn Trent's product is the most cost effective media because it has the highest treatment capacity and is the least expensive.

8. EVALUATION PROCESS: In March 2008, Council awarded contract WA8-968-2461 for the purchase of Arsenic Filter Media to Severn Trent Water Purification Inc. The contract was awarded with provisions to extend for two additional two-year periods and this will be the final two-year extension. Although the contract allows for annual price increases/decreases based on the Consumer Price Index (CPI) for All Urban Consumers - US Cities Average - All Items, this is the first year a price change was requested by the contractor. The CPI has increased by seven percent and the contractor is requesting the same percentage increase in the cost per cubic foot of media. Staff has reviewed the request and determined the increase is justified based on current economic conditions.

9. FINANCIAL IMPLICATIONS:

Costs: \$950,000
Savings: N/A
Long Term Costs: N/A

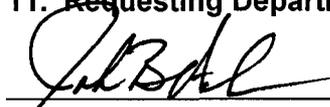
Fund Source:

<u>Acct. Name:</u> 605.3860.5419.0.0.	<u>Fund Name:</u> Water Operating	<u>Program Name:</u> Other Equipment R&M	<u>CIP Funded:</u> No	<u>Funds:</u> \$950,000
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10. PROPOSED MOTION: Move to approve Amendment 2 to extend the two-year contract WA8-968-2461 for the purchase of Arsenic Filter Media from Severn Trent Water Purification Inc., in an amount not to exceed \$950,000.

APPROVALS

11. Requesting Department



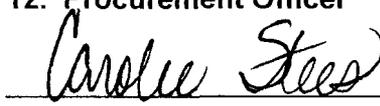
John Ardans, Water Systems Maint Superintendent

13. Department Head



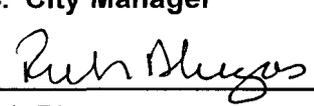
Dave Siegel, Municipal Utilities Director

12. Procurement Officer



Carolee Stees, CPPB

14. City Manager



Rich Dlugas

AMENDMENT NUMBER TWO
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
SEVERN TRENT WATER PURIFICATION, INC.
FOR ARSENIC FILTER MEDIA
AGREEMENT NO. WA8-968-2461

This Amendment #2 to that certain Agreement between the City Of Chandler (CITY) and Severn Trent water Purification, Inc. (CONTRACTOR) for Arsenic Filter Media dated March 17, 2008 and is entered into this _____ day of April, 2012.

WHEREAS, the parties entered into contract for two years with provisions to extend four additional two year terms;

WHEREAS, the parties have agreed to execute the second and final two year extension;

NOW THEREFORE, the parties agree as follows:

1. This contract is extended for a two-year period, April 1, 2012 through March 31, 2014.
2. The cost per cubic foot is payable as set forth in the Amended Exhibit B attached.
3. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect. All terms and conditions in the original Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this _____ day of April, 2012.

CITY OF CHANDLER:

By: _____
Mayor

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

CONTRACTOR:

By: *Alex Bonazzo*
Title: Director of Filtration

ATTEST: (If corporation)

Secretary

WITNESS: (If individual or Partnership)

[SEAL]

EXHIBIT B**PRICING**

Well Site	Guaranteed Bed Volume	Cost Per Cubic Foot	Cubic Feet per Site	Cost per Site
Amberwood	38,300	\$202.29	738	\$149,290.02
Arrowhead	60,300	\$202.29	795	\$160,820.55
Hahn	72,200	\$202.29	454	\$91,839.66
Hightown	32,500	\$202.29	1306	\$264,190.74
Knox	58,700	\$202.29	568	\$114,900.72
Monterey	49,600	\$202.29	1647	\$333,171.63
Roosevelt	61,300	\$202.29	625	\$126,431.25
Shawnee	32,600	\$202.29	852	\$172,351.08

Price listed does not include sales tax.