



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. MUA15-054**

1. Agenda Item Number:

25

2. Council Meeting Date:
February 12, 2015

TO: MAYOR & COUNCIL

3. Date Prepared: January 28, 2015

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Amendment No.1 to Agreement No. MU4-885-3350 for Water/Wastewater Treatment and Pool Chemicals

6. RECOMMENDATION: Staff recommends City Council approve Amendment No.1 to Agreement No. MU4-885-3350 with Univar USA, Inc., for water/wastewater treatment and pool chemicals, in a total amount not to exceed \$237,325.75.

7. BACKGROUND/DISCUSSION: The City of Chandler's Ocotillo Brine Reduction Facility (OBRF) uses lime softening as one of their processes. Lime is a mined product that is baked at high temperatures to eliminate carbon dioxide and is then crushed. The process requires lime purity of greater than 96% calcium hydroxide, free of any grit or foreign materials that could clog pumps or lines. Only two lime sources have this high grade of lime: Mississippi Lime and Lhoist Lime.

Mississippi Lime was originally used at the OBRF. In July 2014, chemicals went out to bid, and Lhoist Lime was chosen due to Lhoist Lime stating they could meet all the criteria for purity and grit, at approximately half the cost.

After initial use of Lhoist Lime, pumps and pipes began clogging due to the impurity and grit in the lime product. Staff removed the lime, cleaned the silo, batch tank, and slurry tank. The same problems occurred with the next Lhoist Lime delivery. It was determined by the Contractor, engineering firm, and lime feed equipment maker that Lhoist Lime would not be acceptable for the OBRF. Intel is requesting that the City return to using the original Mississippi Lime product.

8. EVALUATION PROCESS: On June 26, 2014, City Council approved Agreement No. MU4-885-3350, for Water/Wastewater Treatment and Pool Chemicals, for twelve (12) firms, in a total amount not to exceed \$7,164,000. One of the twelve (12) agreements was awarded to Univar USA, Inc. for the purchase of lime, in an amount not to exceed \$126,139.

Univar USA, Inc. was the only bidder for Mississippi Lime in response to the Request for Proposal. Staff is recommending that the agreement be amended to change the product to Mississippi Lime, for an additional amount of \$111,186.75, amending their total contract amount to \$237,325.75.

9. FINANCIAL IMPLICATIONS:

Cost: \$237,325.75
Savings: N/A
Long Term Savings: N/A

Fund Source:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
616.3930.5318.0	WW Ind. Treatment	Chemicals	No	\$237,325.75

10. PROPOSED MOTION: Move City Council approve Amendment No.1 to Agreement No. MU4-885-3350 with Univar USA, Inc., for water/wastewater treatment and pool chemicals, in a total amount not to exceed \$237,325.75.

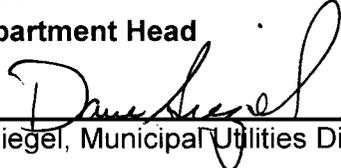
Attachments: Amendment

APPROVALS

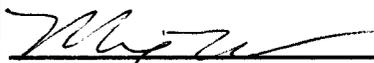
11. Requesting Department


Kim Neill, Utility Operations Manager

13. Department Head


Dave Siegel, Municipal Utilities Director

12. Procurement Officer


Mike Mandt, CPPB

14. City Manager


Rich Dlugas

AMENDMENT NUMBER ONE
 TO AGREEMENT BETWEEN THE CITY OF CHANDLER
 AND
 UNIVAR USA, INC
 FOR WASTEWATER TREATMENT AND POOL CHEMICALS
 AGREEMENT NO. MU4-885-3350

This Amendment One to that certain Agreement between the City of Chandler (CITY) and Univar USA, Inc. (CONTRACTOR) for Wastewater Treatment and Pool Chemicals dated, September 26th, 2014 is entered into this _____ day of _____, 2015.

WHEREAS, the parties earlier entered into contract for supply of chemicals for the fiscal year of 2014-2015 and,

WHEREAS, use of the Lime which was bid and procured under the original contract with the CONTRACTOR is incompatible with sound operation of the Ocotillo Brine Reclamation Facility (OBRF) and as such an alternate Lime product is necessary to procure before the end of the existing contract:

NOW THEREFORE, the parties agree as follows:

A. Section 5 of the Agreement entitled "PRICE" is deleted in its entirety and replaced with the following provision:

5. **PRICE:** CITY shall pay to CONTRACTOR an amount not to exceed the per unit price set forth in Exhibit B for the amount of Lime received by the CITY.

B. EXHIBIT B of the Agreement is deleted in its entirety and replaced with the following table and all references to pricing and the manufacturer shall hereinafter refer to the following :

ITEM	CHEMICAL	UOM	ESTIMATED QTY.	UNIT PRICE
21	Lime	Lb	1,141,538	\$0.2079
	Manufacturer: Mississippi			
	Product #:			
	Packaging as delivered: Bulk			

C. 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 _____, 2015.

CITY OF CHANDLER:

CONTRACTOR:

By: _____
 Mayor

By: Shirley Utter
 Title: Municipal Business Manager

APPROVED AS TO FORM:

ATTEST: (If corporation)

 City Attorney (eb)

[Signature]
 Secretary