ITEM # 24
DATE: 05-22-18

COUNCIL ACTION FORM

SUBJECT: LIQUID SODIUM HYPOCHLORITE PURCHASE FOR WATER TREATMENT PLANT AND POWER PLANT

BACKGROUND:

This contract is for the purchase of liquid sodium hypochlorite, which is used for disinfection in the water treatment process at the City's Water Treatment Plant and for the treatment of cooling tower water at the Power Plant. The FY 2018/19 operating budget of $620,831 for water treatment chemicals and laboratory supplies includes $44,943 for sodium hypochlorite. The FY 2018/19 Power Plant operating budget of $409,000 for water treatment chemicals and lab supplies includes $35,000 for this product.

Staff solicited bids based on an estimated quantity of 115,000 gallons of product. The following bids were received on April 21, 2018:

Bidder	Price/Gallon	Total Cost
DPC Industries, Inc., Bellevue, NE	$ 0.94	$108,100.00
Hawkins Water Treatment Group, Slater, IA	$ 1.10	$126,500.00
Rowell Chemical Corp., Hinsdale, IL	$ 1.10	$126,500.00
Acco Unlimited Corporation, Johnston, IA	$ 1.32	$151,800.00

The lowest bid price reflects a 17% cost increase over the FY 2017/18 price. However, staff expects the combined, actual amounts of chlorine at both facilities to be less than the 115,000 gallon estimate upon which the bids were based.

ALTERNATIVES:

1. Award a contract for the purchase of FY 2018/19 liquid sodium hypochlorite to DPC Industries, Inc. of Bellevue, NE in the amount of $0.94/gallon for an estimated total cost of $108,100.

2. Award the contract for the purchase of liquid sodium hypochlorite to one of the other bidders.

3. Reject all bids and attempt to obtain the required services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

Liquid sodium hypochlorite is an essential treatment chemical, as it provides the final disinfectant barrier that keeps our drinking water and Power Plant cooling tower water

safe from microbial contaminants. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.