

COUNCIL ACTION FORM

SUBJECT: FY 2019/2020 LIQUID SODIUM HYPOCHLORITE PURCHASE FOR WATER TREATMENT PLANT AND POWER PLANT

BACKGROUND:

This contract is for the purchase of sodium hypochlorite, which is used for disinfection in the water treatment process at the Water Plant and treatment of cooling tower water at the Power Plant.

For supplying sodium hypochlorite in FY 2019/20, the following bids were received on April 23, 2019:

Bidder	Price/Gallon
Acco Unlimited Corporation, Johnston, IA	\$ 1.120
Rowell Chemical Corp., Hinsdale, IL	\$ 1.170
<i>Budgeted Unit Price</i>	<i>\$ 1.015</i>

Approximately 51,000 gallons of liquid sodium hypochlorite are expected to be used in the Water Plant for FY 2019/20.

A summary of the budgeted versus actual bid prices for all Water Plant chemicals was provided on the prior Council Action Form that recommended award of the pebble lime contract. The amount included in the Water Plant's FY 2019/2020 operating budget for this chemical is \$51,765; based on the bid prices, the estimated annual expense will be \$57,120. **While this particular chemical bid price is higher than was budgeted, the combined expense for all chemical bids results in an amount that is \$17,221 less than was budgeted for the Water Plant in FY 2019/2020, based on the estimated quantities used in the budget.**

The amount included in the Electric Power Plant's FY 2019/2020 operating budget for this chemical is \$35,000; based on the bid prices, the estimated annual expense will be \$38,620. **While this particular chemical bid price is higher than was budgeted, the combined expense for all chemical bids results in an amount that is less than was budgeted for the Electric Power Plant in FY 2019/2020, based on the reduced operating hours of the plant in the first quarter FY 2019/20.**

ALTERNATIVES:

1. Award a contract for the purchase of FY 2019/2020 liquid sodium hypochlorite for the Water Plant and Power Plant to ACCO Unlimited Corporation of Johnston, IA, in the amount of \$1.12/gallon.
2. Award a contract for the purchase of FY 2019/20 liquid sodium hypochlorite to Rowell Chemical Corporation.
3. Reject all bids and attempt to obtain the required chemical 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 cooling tower water safe from microbial contaminants. The current contract expires on June 30. New pricing has been obtained for the coming fiscal year.

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