

MANATEE COUNTY GOVERNMENT SOURCE SELECTION

SUBJECT Water/Wastewater Treatment Chemicals	DATE POSTED March 23, 2010
PURCHASING REPRESENTATIVE Chris Daley, 749-3048	DATE CONTRACT SHALL BE AWARDED April 1, 2010
DEPARTMENT Utility Operations- Various Divisions	CONSEQUENCES IF DEFERRED Increased administrative costs
SOURCE RECOMMENDATION Award of Bid Item	AUTHORIZED BY Rob Cuthbert DATE March 19, 2010

ACTION DESIRED

Authorization to award Line Item 1, Aluminum Sulfate, of IFB# 09-3749CD, Water and Wastewater Treatment Chemicals, on an as required basis, to the lowest, responsive and responsible bidder, Thatcher Chemical Company of DeLand, Florida for a period of one year (4/01/2010 – 3/31/2011 for an estimated annual cost of \$981,000.00 for 4,500 dry tons.

ENABLING/REGULATING AUTHORITY

Federal/State law(s), administrative ruling(s), Manatee County Comp Plan/Land Development Code, ordinances, resolutions, policy.)

Manatee County Purchasing Ordinance, Chapter 2-26

BACKGROUND/DISCUSSION

On December 15, 2009, the Board approved IFB# 09-3749CD, Water and Wastewater Treatment Chemicals, to multiple bidders, for a twelve (12) month period for an estimated annual total of \$1,500,000. The award was for all bid items except Item 1, Aluminum Sulfate, as the Utilities Department needed additional time to investigate the apparent lowest, responsible and responsive bidder, Thatcher Chemical.

The procurement of this item is funded by the Utility Fund with various operating accounts.

See Page 2

SUMMARY

This is for the award of one line item of a bid previously awarded by the Board of County Commissioners on 12/15/2009.

ATTACHMENTS: (List in order as attached)

Department Recommendation
Vendor Letter – Unit Price Reduction

INSTRUCTIONS TO BOARD RECORDS:

N/A

COST \$999,900 (estimated)

SOURCE (ACCT# & NAME) Utility Operations Fund

COMMENTS

AMT./FREQ. OF RECURRING COSTS(ATTACH FISCAL IMPACT STATEMENT) N/A

- 10/29/2009 through 11/20/2009 appropriate bid procedures were followed. Notice of bid's availability was posted on the Manatee County website and was broadcast to three hundred four (304) prospective bidders on Demand Star. Six local firms (as defined by Section 2-26-6 of the Manatee County Purchasing Code) were directly solicited. For this item, three bids were received, none from a local firm.
- Aluminum Sulfate is a critical chemical for the water treatment process; therefore, it was necessary to conduct a site and facility inspection of the apparent low bidder, Thatcher Chemical Company, to ensure the vendor has the capacity, capability and resources necessary to provide and deliver the product as required by the Contract. Field investigation by Utilities staff proved satisfactory and provides assurances that Thatcher Chemical indeed has the capacity, capability and resources necessary to deliver in accordance with the Contract.
- Bids were received from General Chemical Company at \$259.00 per dry ton; Thatcher Chemical Company at \$258.00 per dry ton and C&S at \$511.00 per dry ton.
- Although the bid quantity stated was 6,000 dry tons, Manatee County has never reached this level of use. After reviewing the actual history, a more historically supported annual quantity of 4,500 dry tons was determined.
- Thatcher Chemical Company voluntarily reduced its price from the \$258.00 per dry ton to \$218.00 per dry ton, effecting an anticipated savings of \$180,000.00 per annum.

THATCHER CHEMICAL OF FLORIDA

245 Hazen Road, Deland, Florida 32720

Phone (386) 490-1638

Fax (386) 490-1641



Specialty Chemicals * Photo Chemicals * Industrial & Institutional Cleaning Compounds
Water Treatment Chemicals * Medical Items & Specialties * Industrial Chemicals

March 16, 2010

MANATEE COUNTY PURCHASING

Melissa Assha

1112 Manatee Ave West

Bradenton, FL 34205

Ms. Assha:

We are pleased to offer a voluntary price reduction as related to bid #09-3749CD for Aluminum Sulfate.

Whereas we had previously bid \$258 per dry ton, we will reduce the price to \$218 per dry ton delivered firm through the term of the contract (ending 1 year from date of award).

We appreciate your efforts in taking time to evaluate our offer and look forward to working with you in the future.

If you have any questions, please feel free to me at (801) 924-3443.

Cordially,



Craig N. Thatcher

Vice President

Thatcher Chemical of Florida



Re: Your recommendation of a selection of an Aluminum Sulfate Supplier

Dan Gray to: Rob Cuthbert

03/09/2010 01:31 PM

Cc: Bruce MacLeod, Chris Daley, Mark Simpson, Melissa Assha

History: This message has been forwarded.

<input type="checkbox"/>	Rob Cuthbert	Your recommendation of a selection of an Aluminum Sulfate Supplier
<input type="checkbox"/>	Dan Gray	<i>Rob...thank you for the opportunity to comment and recommendin</i>

Rob...thank you for the opportunity to comment and recommendin as much as Thatcher was the "original" low bidder and voluntarily reduced their bid after the "piggy back " discussions I would recommend that we award to Thatcher...their product meets our specs and I feel it is our obligation to honor the open bid process... again thank you for this opportunity....dan

Daniel T. Gray, Director
Utilities Department
(941) 792-8811 x 5323
dan.gray@mymanatee.org

Rob Cuthbert Dan, Your choice of Aluminum Sulfate supplier i... 03/09/2010 11:36:16 AM

From: Rob Cuthbert/MCG
 To: Dan Gray/MCG@MCG
 Cc: Chris Daley/MCG@MCG, Melissa Assha/MCG@MCG, Mark Simpson/MCG@MCG, Bruce MacLeod/MCG@MCG
 Date: 03/09/2010 11:36 AM
 Subject: Your recommendation of a selection of an Aluminum Sulfate Supplier

Dan,

Your choice of Aluminum Sulfate supplier is requested. Your staff have worked diligently with us to summarize the following facts and options. They also may have input for you on this decision.

The choices are to award a bid, or to reject all bids and use a "piggyback" purchase using the contract established with the St. Johns River Water Management District.

The market for this product has been very unstable and the market pricing was rising until 2010.

The Manatee County Bid was opened in November 2009 and Utility staff reviewed the capacity of the new source before recommending an award to the Thatcher Company. During this time the prior supplier, General Chemical, revealed that they had offered to St Johns River WMD a price of \$187.40 per ton on January 26, 2010 which was comparable to the pricing we had from them in fiscal 2006. General Chemical had bid to Manatee County a price of \$259 per ton in November 2009.

The low bidder, the Thatcher Company, was informed about this alternative. Purchasing invited them to voluntarily offer to reduce their bid price, which they did by \$40 to a cost of \$218 per ton. Our terms would hold that price for one year. The two one year renewal periods may include a price adjustment per our bid terms. The County or the Contractor may terminate the Manatee County agreement with 30 day notice.

The St Johns River WMD offer from General Chemical and the resulting contract has been reviewed. The price of \$187.40 is firm to March 31 2011, then a proportional increase based upon four commodity indexes may be used to increase the price once each calendar quarter thereafter. That contract may be renewed by mutual agreement for an additional two years. The Water Management District may terminate that contract without cause with 10 days notice and the contractor may only terminate that contract if the District fails to pay sums when due.

The estimated highest volume of use for Manatee County is 5,000 tons per year. St Johns River WMD requires approximately 2,000 tons per year.

The options for you to consider are to proceed with the bid award at the voluntarily reduced price of \$218 per ton, or direct a piggy back purchase using the St Johns River Water Management District's solicitation process for \$187.40 per ton. Both business decisions may be supported. As the award (potential use per year) for either option may be just less than one million dollars, the authority to award that level of contract has been delegated to staff and would not require Board action.

Thank you for your recommendation, Rob Cuthbert