



DATA SHEET
Agenda Item No. 9.

Meeting Date: June 7, 2018

Agenda Item:

Authorize the Executive Director to enter into pricing agreements with Brenntag Southwest, Inc. for Liquid Sodium Hydroxide 50% and FSTI, Inc. for Liquid Sodium Hydroxide 25% and Sodium Chloride.

Placement: <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Individual Consideration <input type="checkbox"/> Executive Session
Vote: <input checked="" type="checkbox"/> Non-Weighted <input type="checkbox"/> Weighted Capital
Recommending Department: Purchasing & Operations

Background:

The District currently has sixteen pricing agreements for the purchase of chemicals used in the treatment of raw water. Four of these agreements will expire July 16, 2018. Following required public notices and bidding procedures, the District received fourteen proposals from five prospective vendors. The attached bid summary sheet shows the responses that were received by the District. The District did see a reduction in the cost of Sodium Chloride over the previous contract of approximately 17% which will result in an estimated savings of \$10,000. Based upon estimated usage, the District is expecting to see an increase of approximately 19% or \$56,000 in FY2019 over the current year cost of Liquid Sodium Hydroxide 50%.

The price increase for Liquid Sodium Hydroxide appears to be caused by increased demand for aluminum internationally, which utilizes the same raw materials. There has also not been an increase in production capacity domestically, and the capacity that does exist is sending more of its product to the international aluminum market.

Financial:

Chemicals for the treatment of raw water are a regularly budgeted operational expense. Preliminary rate estimates for FY2019 will take into account the expected increases for the upcoming fiscal year.

Recommendation:

Authorize the Executive Director to enter into pricing agreements for the purchase of chemicals for the treatment of raw water as proposed on the attached bid summary sheet.

Enclosures:

Bid results for chemicals for the treatment of raw water.

Submitted By: Jan Morris
Jan Morris, Manager of Human Resources and Purchasing

Date Submitted: June 1, 2018

Chemical Bid Summary

	Liquid Sodium Hydroxide 50%	Liquid Sodium Hydroxide 50% - Totes	Liquid Sodium Hydroxide 25%	Sodium Chloride
Brenntag Southwest, Inc	\$0.1790	\$0.2800	\$0.1065	-
DPC Industries, Inc.	\$0.1856	-	\$0.1040	\$0.0920
FSTI, Inc.	-	-	\$0.0888	\$0.0701
Petra Chemical Co.	\$0.1812	\$0.2950	\$0.1030	\$0.0822
Univar USA, Inc.	\$0.1958	-	\$0.1059	-

	Current Price	Lowest Bid *	% Difference
Liquid Sodium Hydroxide 50%	\$0.1500	\$0.1790 Brenntag Southwest, Inc	19%
Liquid Sodium Hydroxide 50% - Totes	\$0.1800	\$0.2800 Brenntag Southwest, Inc	56%
Liquid Sodium Hydroxide 25%	\$0.06375	\$0.0888 FSTI, Inc.	39%
Sodium Chloride	\$0.08440	\$0.0701 FSTI, Inc.	(17%)

**To become effective July 17, 2018 for one year, with option for two one year extensions.*