

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Purchase of Sodium Hypochlorite

**Manager's Recommendation:**

I recommend that the low bid from JCI Jones Chemicals, Inc. be accepted and a purchase order be issued to them in the amount of \$113,750.00 for fiscal year 2010 and for fiscal year 2011 in the amount of \$113,750.00, for a total of \$227,500.00 for the purchase of sodium hypochlorite.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedures," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Sewer Operation and Maintenance Chemicals Account No. 590-4835-861.73-02.

**Justification:**

On June 16, 2009, bids were received by the City of Saginaw for the annual supply of Sodium Hypochlorite for the Wastewater Treatment Division. Sodium Hypochlorite is used to disinfect stormwater discharged from the City's Retention Treatment Facilities. Jones Chemical Inc. is recommended as the supplier over KA Steel because they have guaranteed the bid price for two years. KA Steel did bid \$0.01 less per gallon of Sodium Hypochlorite but would not guarantee the cost for a second year. The maximum cost savings, if 175,000 gallons of chemical were purchased, would be \$1,750.00 from KA Steel. Potential savings in the second year of the contract with a guaranteed price by Jones Chemical would undoubtedly outweigh the difference in the first year costs.

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Following is a tabulation of the bids that were received:

	<u>FY 2010</u>	<u>FY 2011</u>
JCI Jones Chemical Inc. Riverview, MI	\$113,750.00	\$113,750.00
KA Steel Chemical Inc. Lamont, IL	\$112,000.00	NO BID
Alexander Chemical Corp. Lisle, IL	\$115,500.00	NO BID
PVS Nolwood Chemicals Detroit, MI	\$148,750.00	\$148,750.00

The proposed cost is a 5% decrease from Fiscal Year 2009.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.