

City of Denton



City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

ACM: Mario Canizares

DATE: June 6, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract for the purchase of caustic soda for City of Denton Water Treatment facilities as awarded by the Buy Board Cooperative Purchasing Network Contract# 526-17; providing for the expenditure of funds therefor; and providing an effective date (File 6458- awarded to Petra Chemical Company, in the one year not-to-exceed amount of \$260,000). The Public Utilities Board recommends approval (7-0).

FILE INFORMATION

Contract# 5725 for Water Treatment Chemicals was originally awarded by line item to multiple vendors on April 21, 2015 (Exhibit 1). During the contract period, Item#5, liquid caustic soda, has experienced a dramatic increase in demand and exportation. As a result, in March 2017, the contracted vendor TDC, LLC, submitted a thirty-four (34%) price increase for the remaining year of their contract. State of Texas Local Government Code 252.048, specifies that change orders to the original contract price may not be increased by more than twenty-five (25%) of the original contract price. Therefore, staff has elected to obtain alternative pricing for the last year of this contract.

Staff obtained three quotes for the remaining contract period which ends April 21, 2018. A pricing comparison sheet is attached (Exhibit 2). Staff is recommending award to the lowest price quote which is provided by Petra Chemical Company through Buy Board Cooperative Purchasing Network Contract# 526-17. Pricing obtained through the Buy Board Cooperative Purchasing Network has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102. A new Request for Proposal for all of the water treatment chemicals will be issued in early 2018 to ensure that a new three (3) year contract is awarded at the time of the current contract expiration.

PRIOR ACTION / REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 22, 2017, the Public Utilities Board recommended approval to forward this item to the City Council for consideration.

RECOMMENDATION

Award a contract for the purchase of liquid caustic soda to Petra Chemical Company in the one year not-to-exceed amount of \$260,000.

EXHIBIT 1

PRINCIPAL PLACE OF BUSINESS

Petra Chemical Company
Dallas, TX

ESTIMATED SCHEDULE OF PROJECT

Orders for the liquid caustic soda will be processed within forty-eight hours of receipt of the purchase order.

FISCAL INFORMATION

Funding for water treatment chemicals is budgeted in the Water Production Division's Operating Budget account number 630100.6334.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Choose an item.

Related Goal: Choose an item.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Price Comparison
Exhibit 3: Buy Board Contract
Exhibit 4: PUB Minutes
Exhibit 5: Ordinance

Respectfully submitted:
Galen Gillum, 349-7656
Director of Capital Projects

For information concerning this acquisition, contact: Randy Markham at 349-7526.