



City of Fayetteville

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Legislation Text

File #: 18-330, Version: 1

TO: Mayor and Members of City Council

THRU: David W. Trego, CEO/General Manager
Fayetteville Public Works Commission

FROM: Fayetteville Public Works Commission

DATE: August 13, 2018

RE:
Bid Recommendation - Water and Water Reclamation Chemical - Caustic Soda 50%

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:
High Quality Built Environment

Executive Summary:

Bids were received for the purchase of approximately 2,300 tons of Caustic Soda 50%, a chemical used at FPWC's water and water reclamation facilities. The lowest responsive, responsible bidder is recommended.

Background:

The Fayetteville Public Works Commission, during their meeting of July 11, 2018, approved the following bid recommendation to award a contract for the purchase of approximately 2,300 tons of Caustic Soda 50%, a water and water reclamation chemical for a one year period (with the option to extend the contract for additional one year periods upon the agreement of both parties) to Univar USA, Inc., Morrisville, PA, the lowest responsive, responsible bidder in the total amount of \$719,900.00 and forward to City Council for approval.

Bids were received on June 19, 2018

<u>Bidders</u>	<u>Total Amount</u>
Univar USA, Inc., Morrisville, PA	\$719,900.00
Oltrin Solution, LLC, Hamlet, NC	\$738,300.00
Brenntag Mid-South, Inc., Durham, NC	\$753,480.00

JCI Jones Chemicals, Charlotte, NC

\$862,500.00

Issues/Analysis:

Bids were solicited from fifteen (15) bidders with four (4) bidders responding. The Fayetteville Public Works Commission is currently paying \$245.00 per ton. This year's bid price is \$313.00 per ton.

Historically, the market pricing for Caustic Soda has shown volatility. Current bid prices in Caustic Soda can be attributed to changes in the global market place. Market research shows that Europe is increasing imports of Caustic Soda and China, who produces much of the global supply, has reduced exports of Caustic Soda. As the US becomes a larger global supplier, prices are likely to continue upward the closer that US plants near their production capacity.

The recommended bidder is not classified as SDBE. There are no known local vendors.

Budget Impact:

Budgeted in FY019 Operating Budget

Options:

N/A

Recommended Action:

The Fayetteville Public Works Commission recommends the City Council approve the bid recommendation to award the purchase of approximately 2,300 tons of Caustic Soda 50% for a one year period (with the option to extend the contract for additional one year periods upon the agreement of both parties) to Univar USA, Inc., Morrisville, PA, the lowest responsive, responsible bidder in the total amount of \$719,900.00

Attachments:

Bid Recommendation - 2018 Chemical Recommendations