



Date of Council Meeting: January 28, 2014

**TOWN OF LEESBURG
TOWN COUNCIL MEETING**

Subject: Awarding chemical contracts for Water and wastewater treatment to Univar USA, Kemira Water Solutions, George S. Coyne Chemical Co, Shannon Chemical Corp, F2 Industries, and Southern Ionics Inc.

Staff Contact: Kathy Elgin, Chief Procurement Officer
Amy Wyks, Director of Utilities

Recommendation: Staff recommends that the Town Council award chemical contracts to Univar USA, Kemira Water Solutions, George S. Coyne Chemical Co, Shannon Chemical Corp, F2 Industries, and Southern Ionics Inc.

Issue: To which chemical companies should the chemical contracts be awarded?

Fiscal Impact: The funding necessary to purchase chemicals for water and wastewater treatment is \$564,303.90 (not including methanol). Sufficient funding is available in the adopted Fiscal Year 2014 and proposed Fiscal Year 2015 budgets. An additional appropriation is not necessary. Compared to current unit prices, the chemical bids yielded increased and decreased unit prices for the new chemical contracts. Variation in unit prices in conjunction with changes in quantity usage cause the chemical expenses to be materially unchanged.

Background: Sealed bids for various water and wastewater treatment chemicals were opened on January 6, 2014 at 3:00pm. The chemicals include:

- Caustic Soda, 25%
- Caustic Soda, 50%, Bulk
- Ferric Chloride, (Water grade 37-42%)
- Ferric Chloride (Grade 2, 33%-36%)
- Hydrofluosilicic Acid, Bulk
- Hydrofluosilicic Acid, Drum
- Methanol
- Phosphoric Acid (75%)
- Potassium Permanganate
- Powdered Activated Carbon
- Sodium Bisulfite
- Sodium Hypochlorite (15%), Bulk
- Sodium Hypochlorite (12.5%-15%), Drum
- Sulfuric Acid 93%

In response to a solicitation for chemical bids for water and wastewater treatment, 16 bids were received from the following companies:

- Brenntag Northeast Inc
- Carus Corp
- Chesapeake Corp
- F2 Industries LLC
- Geore S Coyne Chemical Co Inc
- Kemira Water Solutions Inc
- Kuehne Co
- Marubeni Specialty Chemicals Inc
- Michigan Renewable Carbon
- Pencco, Inc
- PVS Chemical Solutions Inc
- PVS Technologies Inc

- Shannon Chemical Corp
- Southern Ionics Inc
- Suffolk Solutions
- Univar USA Inc

The bids were evaluated by the Chief Procurement Officer, Water Supply Utility Manager and Water Pollution Control Utility Manager.

It was determined that Michigan Renewable Carbon was a non-responsive bidder as their bid product data application sheet specifies use only in industrial and municipal wastewater. Also product Tannin Value was not submitted. F2 Industries was also a non-responsive bidder as their bid did not provide quantitative results demonstrating effective removal of Geosmin and MIB and product Tannin Value was not submitted.

A methanol chemical contract will not be awarded at this time. The tank size provided in the Invitation to Bid (IFB) was inaccurate. During the bid evaluation, staff also found the pricing methodology inaccurate and minimal competition. A rebid will correct the tank size; establish a calculation for pricing that includes a fixed hauling rate and a variable product price based on actual chemical acquisition price.

The lowest responsive and responsible bidders for the various chemicals are as follows:

- Caustic Soda (25%), Caustic Soda (50%), Powdered Activated Carbon, Sodium Hypochlorite (15% Bulk), Sodium Hypochlorite (12.5%- 15% Drum), and Sulfuric Acid (93%) to Univar USA Inc;
- Ferric Chloride, (Water grade 37-42%) and Ferric Chloride (Grade 2, 33%-36%) to Kemira Water Solutions;
- Hydrofluosilicic Acid (Bulk and Drum) to George S Coyne Chemical Co;
- Phosphoric Acid (75%) to Shannon Chemical Corp;
- Potassium Permanganate to F2 Industries; and
- Sodium Bisulfite to Southern Ionics Inc.

These are unit price contracts and the quantities used for bid comparisons are estimates and the contracts will be awarded based on the estimated amounts as shown on the attached bid tabulation sheet. All contracts will be for an initial period of one year and renewable up to four additional consecutive one- year periods.

Attachments: Chemical Bid Tabulation

BID FORM/PRICING PAGE

IFB NO 500630/640-FY14-10; CHEMICALS FOR WATER AND WASTEWATER TREATMENT	Chemical	Caustic Soda, 25%	Caustic Soda, 50%, Bulk	Ferric Chloride, (Wtr grade 37- 42%)	Ferric Chloride (Grade 2, 33%- 36%)	Hydrofluosilicic Bulk	Hydrofluosilicic Acid	Methanol	Phosphoric Acid	Potassium Permanganate	Powdered Activated Carbon	Sodium Bisulfite	Sodium Hypochlorite (15%) Bulk	Sodium Hypochlorite (12.5%- 15%)	Sulfuric Acid 93%	TOTAL
	Unit of Measure	TON	TON	TON	TON	GAL	DRUM	GAL	GAL	TON	TON	GAL	GAL	DRUM	GAL	
BIDDER	Est. Total Quantity	160	210	220	200	6,000	5	30,000	6,500	6	20	15,000	110,000	15	26,000	
Brenntag Northeast Inc		770.000	590.000					3.020	6.975	6,580.000				151.250	1.684	468,570.25
Carus Corp									7.194	4,400.000						73,161.00
Chesapeake Corp		564.980	495.970			4.870										223,770.50
F2 Industries LLC										3,740.000	1,340.000					49,240.00
Geore S Coyne Chemical Co Inc						3.596	238.790		8.085	4,079.400	2,032.360			117.290		142,205.40
Kemira Water Solutions Inc				404.000	295.000											147,880.00
Kuehne Co		935.000	840.000										1.050			326,000.00
Marubeni Specialty Chemicals Inc										3,960.000						23,760.00
Michigan Renewable Carbon											980.000					19,600.00
Penco, Inc	NO BID															0.00
PVS Chemical Solutions Inc												1.151				17,265.00
PVS Technologies Inc				474.000	474.000											199,080.00
Shannon Chemical Corp									6.320							41,080.00
Southern Ionics Inc												1.125				16,875.00
Suffolk Solutions		584.930	517.110													202,181.90
Univar USA Inc		508.000	450.000			3.825	269.500	2.360	7.804	6,600.000	1,720.000	1.408	0.690	95.930	0.990	519,802.45
NOTES:								Variable;								
Recommended Award		Univar USA	Univar USA	Kemira Water Solutions	Kemira Water Solutions	George S Coyne Chemical Co	George S Coyne Chemical Co	REBID	Shannon Chemical Corp	F2 Industries	Univar USA INC	Southern Ionics Inc	Univar USA Inc	Univar USA Inc	Univar USA Inc	

Non-Responsive Bidders	Michigan Renewable Carbon product data sheet applications specifies use only in Industrial and Municipal wastewater. Also, did not provide product Tannin information. F2 Industries did not provide quantitative results demonstrating effective removal of Geosmin and MIB; nor did they provide product Tannin information.
Rebid	Various problems with Methanol specification: Tank size provided in bid was inaccurate, pricing methodology inaccurate, minimal competition. Rebid will correct the tank size, establish a calculation for pricing that includes a fixed hauling rate and a variable product price based on actual chemical acquisition price.

PRESENTED January 28, 2014

RESOLUTION NO. 2014-

ADOPTED _____

A RESOLUTION: AWARDING CHEMICAL CONTRACTS FOR WATER AND WASTEWATER TREATMENT CHEMICALS TO UNIVAR USA, KEMIRA WATER SOLUTIONS, GEORGE S. COYNE CHEMICAL CO, SHANNON CHEMICAL CORP, F2 INDUSTRIES, AND SOUTHERN IONICS INC.

WHEREAS, the current water and wastewater chemical contracts need to be renewed due to the high competition and volatility of prices; and

WHEREAS, in response to a public solicitation for water and wastewater chemical bids, the town received sixteen (16) bids on January 6, 2014 from the following companies:

- Brenntag Northeast Inc
- Carus Corp
- Chesapeake Corp
- F2 Industries LLC
- George S Coyne Chemical Co Inc
- Kemira Water Solutions Inc
- Kuehne Co
- Marubeni Specialty Chemicals Inc
- Michigan Renewable Carbon
- Pencco, Inc
- PVS Chemical Solutions Inc
- PVS Technologies Inc
- Shannon Chemical Corp
- Southern Ionics Inc
- Suffolk Solutions
- Univar USA Inc

WHEREAS, the bids were evaluated by the Chief Procurement Officer, Water Supply Utility Manager and Water Pollution Control Utility Manager in accordance with the Town's Procurement Policy and the requirements of the public solicitation; and

WHEREAS, these are unit price contracts; and

WHEREAS, the quantities used for bid comparisons are estimates; and

WHEREAS, the awarded contract is based on the unit price bid times the quantities included in the bid documents; and

WHEREAS, the Town's adopted Fiscal Year 2014 budget amount and proposed Fiscal Year 2015 budget amounts are sufficient; and

A RESOLUTION: AWARDING CHEMICAL CONTRACTS FOR WATER AND WASTEWATER TREATMENT CHEMICALS TO UNIVAR USA, KEMIRA WATER SOLUTIONS, GEORGE S. COYNE CHEMICAL CO, SHANNON CHEMICAL CORP, F2 INDUSTRIES, AND SOUTHERN IONICS INC.

WHEREAS, Univar USA, Kemira Water Solutions, George S. Coyne Chemical Co, Shannon Chemical Corp, F2 Industries, and Southern Ionics Inc. were determined to be the lowest responsive and responsible bidders; and

WHEREAS, these contracts will be for an initial period of one year and renewable up to four additional consecutive one- year periods.

THEREFORE, RESOLVED by the Council of the Town of Leesburg in Virginia as follows:

SECTION 1. The following Chemical Contracts are hereby awarded:

Caustic Soda (25%), Caustic Soda (50%), Powdered Activated Carbon, Sodium Hypochlorite (15% Bulk), Sodium Hypochlorite (12.5%- 15% Drum), and Sulfuric Acid (93%) to Univar USA Inc; Ferric Chloride, (Wtr grade 37-42%) and Ferric Chloride (Grade 2, 33%-36%) to Kemira Water Solutions; Hydrofluosilicic Acid (Bulk and Drum) to George S Coyne Chemical Co; Phosphoric Acid (75%) to Shannon Chemical Corp; Potassium Permanganate to F2 Industries; and Sodium Bisulfite to Southern Ionics Inc.

SECTION 2. The Town Manager is authorized to execute these contracts in the amount of \$564,303.90.

PASSED this ___ day of January 2014.

Kristen C. Umstattd, Mayor
Town of Leesburg

ATTEST:

Clerk of Council