



CITY OF MARSHALL

COMMISSION AGENDA INFORMATION SHEET:

MEETING DATE: August, 25, 2016

PROJECT: Consider and act on a recommendation to approve a contract with Univar USA of Kent, Washington to furnish Caustic Soda for surface water treatment for the City of Marshall. (Public Services Director)

DESCRIPTION:

On Monday, August the 15th, we opened sealed competitive bids for approximately 250 liquid tons of Caustic Soda which we use in the water plant as part of our surface water treatment process. We had six (6) qualified bidders (reference the attached Bid Summary sheet) with prices ranging from \$0.2313/dry lb. to 0.3375/dry lb.

The caustic soda is actually delivered in liquid form with approximately 50% active solution. Unit pricing is based on the dry weight, but the actual "dry pound" conversion depends of the exact % of the solution dilution, density, and the temperature when loaded, so invoicing is also based on the converted dry weight at the time the product is loaded. We use caustic soda to adjust PH levels in the water.

The purchasing contract will be for the period beginning September 1, 2016 and ending August 31, 2017. Our bid specifications allow for two annual extensions if an increase is no higher than the posted CPI for this area. As a matter of practice, we spot check industry prices before we consider any contract extensions.

The lowest bid this year of \$0.2313/per dry pound is 8% higher than the cost in 2015, or approximately \$4,325.00 more on an annual basis.

COST:

\$0.2313/dry lb. – estimated annual cost of \$57,825.00

FUNDING:	<u>Acct. Name & No</u>	<u>Original Budget</u>
Water Utilities	40-0203-20-02	(*part of the chemical line item budget)

RECOMMENDED

ACTION:

Approve a contract with Univar USA of Kent, Washington to furnish Caustic Soda for surface water treatment for the City of Marshall at a cost of \$0.2313 per dry pound for a period of one year, beginning September 1, 2016.

CITY CONTACT: J. C. Hughes, Public Services Director 903-503-4503

ATTACHMENTS:

- Caustic Soda – WU-2016-2 Bid Summary, dated 08/15/2016

cc: Nancy Pasel, Treatment Superintendent
File

CITY OF MARSHALL

BID SUMMARY

DEPARTMENT: Public Works & Water Utilities

DATE: 08-15-2016

TABULATED BY: J. C. Hughes & Nancy Pasel

ITEM	QTY.	<u>BID NO. WU-2016-2-CAUSTIC</u> DESCRIPTION	FIRM: Brenntag Southwest % Brenda Hill PHONE: 713-330-8570 gtolletsen@brenntag.com CITY: Houston, TX	FIRM: Chemtrade % Elizabeth Ryno PHONE: 800-441-2659 bids@chemtradelogistics.com Parsippany, NJ	FIRM: DPC Industries % Jimmy Tidwell PHONE: 817-641-4712 jtiddwell@dxgroup.com CITY: Lindale, TX	FIRM: FSTI, Inc. % Michael Shelton PHONE: 512-278-8800 mshelton@fstichem.com CITY: Austin, TX	BUDGET UNIT / TOTAL
1	275	Tons of Liquid Caustic Soda	\$0.244/dry lb.	\$0.295/dry lb.	\$0.2395/dry lb.	\$0.3375/dry lb.	Current Price from Brenntag \$0.214/dry lb.
		(approximately 250,000 dry pounds)					
		(dry weight varies with density and temp)					
BID COST TOTALS: With Freight			Approx. \$61,000.00	Approx. \$73,750.00	Approx. \$59,875.00	Approx. \$84,375.00	Currently paying Approx. \$53,500.00/yr.
WARRANTY:			Replacement	Replacement	Replacement	Replacement	
F.O.B. POINT:			Marshall, TX	Marshall, TX	Marshall, TX	Marshall, TX	
PAYMENT TERMS:			Net 30 Days	Net 30 Days	Net 30 Days	Net 30 Days	
DELIVERY PROMISE:			within 5 day of order	within 5 day of order	within 5 day of order	within 5 day of order	

ITEM	QTY.	DESCRIPTION	FIRM: Shrieve Chemical % Thomas Jones PHONE: 281-367-0071 jones@shrieve.com Woodlands, TX	FIRM: Univar USA % Michelle Wick PHONE: 253-872-5084 michelle.wick@univarusa.com CITY: Kent, WA			BUDGET UNIT / TOTAL
1	275	Tons of Liquid Caustic Soda	\$0.2395/dry lb.	\$0.2313/dry lb.			Current Price from Brenntag \$0.214/dry lb.
BID COST TOTALS: With Freight			Approx. \$59,875.50	Approx. \$57,825.00			Currently paying Approx. \$53,500.00/yr.
WARRANTY:			Replacement	Replacement			
F.O.B. POINT:			Marshall, TX	Marshall, TX			
PAYMENT TERMS:			Net 30 Days	Net 30 Days			

CITY OF MARSHALL

BID SUMMARY

DELIVERY PROMISE:	within 5 day of order	within 5 day of order		
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