



## Staff Report

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**File #:** 15-095, **Version:** 1

**Agenda Date:** 11/10/2015

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**Subject:**

Award of bid to Premier Magnesia, LLC for magnesium hydroxide and equipment services.

**Recommended Action**

Approval of an award of bid to Premier Magnesia, LLC (Premier Magnesia) for magnesium hydroxide and equipment services.

Bid No. 145-0496-B(LN) in the amount \$5,196,842.63 on the basis of being the only responsive, responsible bid received meeting specifications.

**Strategic Plan:**

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

**Summary:**

This contract provides for an all inclusive odor and corrosion control program utilizing magnesium hydroxide. Services provided include the supply of all equipment required for the injection of magnesium hydroxide at multiple locations in the wastewater collection system. The contract period is for five (5) years, containing provision for price adjustments at twelve (12) month intervals after award not to exceed the average of the Producer Price Index, Chemical Manufacturing index for the twelve (12) months prior.

**Background Information:**

On August 25, 2015, the Purchasing Department, on behalf of the Utilities Department, released a notice of intent to sole source this requirement. One response was received. Due to the amount of expenditure, staff then decided to test the market and competitively bid this requirement. Premier Magnesia was the only firm to respond. The Utilities Department requires a firm to supply all the equipment necessary for the injection of this chemical. While there are other firms that sell magnesium hydroxide, Premier Magnesia is the only firm that provides all the equipment associated with injecting the product. Purchasing the equipment separately would be costly both from an acquisition and maintenance perspective.

The current contract with Premier Magnesia expires November 14, 2015 and has been in place since November 2009. In 2009, Premier Magnesia was the only respondent to the bid.

**Fiscal Impact:**

Estimated annual expenditure not to exceed: \$ 1,039,368.53

Estimated five (5) year expenditure not to exceed: \$ 5,196,842.63

Funding is derived from the Utilities Enterprise Fund.

**Staff Member Responsible:**

Robert Powell, Director, Utilities

Joe Lauro, Director, Purchasing

**Partners:**

N/A

## Risk Management Contract Review

Contract Name	Magnesium Hydroxide Services							
Bid/Contract#	145-0496-B(LN)	Granicus	15-095	PID #				
Department	Utilities	Project Mgr	Mike Englemann			Date In	9/14/2015	
Contract Mgr	Mike Englemann	RUSH?	N	Pre-Review?	N	Date Out	<a href="#">Click here to enter a date.</a>	
Purchasing Contact	Lucy Nowacki			Term			Amount	\$
Type of Contract (select both)	ITB - Services			Purchasing		Method of Review	E-Review Only (CATS/Legistar)	
Limitation of Liability?			Indemnification Language?			If PE to PE, \$768.28?		

Required Coverages	Add'l Language / Exclusions	Limits	Justification
WC/EL		100/100/500	
CGL		1M/2M	
AL	Cannot exclude loading and unloading or Pollution	1M	
Excess/Umbrella		4	Size of Delivery Truck at multiple locations in and around waste water treatment facilities
Pollution	Confirmed with PM – Environmental cleanup would be needed of the non-hazardous chemical they would not want the liquid to get into the natural environment	1	Magnesium Hydroxide is not hazardous – this exposure would be from the vehicle onsite risk
Choose an item.			
Choose an item.			
Choose an item.			

Discussed scope & suggested insurance requirements with	Emailed Mike Englemann 09/14 rcvd information 09/21
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**Date/Time/Comments:**  
 How large are the containers? How large are the vehicles being used to deliver? How expensive is the equipment the contract will be installing, how will it be stored onsite or offsite? How will the electronics interact with our existing program? Will the technology be accessible via the internet? Rcvd SCOPE OF WORK 9/21 for review – this is still pre-review Granicus is still escalating in contract review.....

**NOTES:**  
 Contacted Mike Englemann – more than likely the contractor would use pre-engineered cement pads for new locations, cost of equipment varies but the installation of each tank and pumps are not more than \$10K the company installing the equipment usually maintains the equipment, services it and owns it for the life of the contract. The truck delivering the Magnesium Hydroxide in liquid form will be large 4000 gallon tanker trucks. The product is not Hazardous unless in powder form but would be an environmental cleanup issue if a spill were to occur. Confirmed with Project Manager that the Pollution and Excess requirements are in line with the exposures. The is multiple locations thru-out the county.

Reviewed By	GWHITE	Date	9/22/2015
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<input checked="" type="checkbox"/> Ready for Signature	Authorized By Virginia E. Holscher, Director
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Magnesium Hydroxide and Equipment Services  
Bid No. 145-0496-B(LN)  
Tabulation

Premier Magnesia, LLC

Description	UOM	Est Five (5) Year Usage	Unit Price	Extended Total
Magnesium Hydroxide and Equipment Services	Gallon	2,016,625	2.577	5,196,842.6250