



Agenda Report

File #: 19-0726

**AGENDA REPORT
REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 08/21/2019

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Department of Water and Power

SUBJECT:

City Council and Corona Utility Authority consideration of award of Notice Inviting Bids (NIB) 19-037CA Bulk KD Industrial Salt.

RECOMMENDED ACTION:

That the:

1. City Council award NIB 19-037CA to Step Saver CA, LLC. in the amount of \$699,400 for Bulk KD Industrial Salt.
2. City Council authorize the Purchasing Agent to issue purchase orders and change orders per Corona Municipal Code Section 3.08.080(I).
3. City Council authorize the General Manager and City Attorney to negotiate and execute two additional two-year purchase extensions for subsequent years and to approve non-substantive change orders and amendments up to the amount provided by Corona Municipal Code Section 3.08.080(I) through June 30, 2025.
4. Corona Utility Authority (CUA) review, ratify and to the extent necessary direct that the City Council take the above actions.

ANALYSIS:

The Department of Water and Power (DWP) operates four water treatment facilities in Corona treating potable drinking water for human consumption. In 2018, the City completed construction of the Ion Exchange Treatment Plant located at City Park. The Ion Exchange Treatment Plant treats influent well water for nitrates and perchlorates on the east end of Corona. There are four nitrate vessels and three perchlorate vessels at the plant. As part of the treatment process, each nitrate

vessel is required to be regenerated and backwashed regularly for optimal performance. During regeneration, the nitrate vessels are flushed with brine water to replace the nitrate ion with a salt ion; the nitrate ions and brine water are then flushed as wastewater. Use of industrial grade salt is required to properly treat the water for the plant. Tonka Water is the manufacturer of the nitrate vessels; Tonka recommends Bulk KD Industrial Salt for use with the vessels for the best performance.

On June 28, 2019, the City’s Purchasing division issued NIB 19-037CA Bulk KD Industrial Salt. The bid was formally advertised in the Sentinel Weekly on July 3, 2019 and posted on PlanetBids on July 1, 2019. The bid was also sent directly to several chemical vendors known to provide chemicals for the City of Corona. Eight potential bidders downloaded the bid documents from the PlanetBids website. Two additional vendors attempted to bid. The first potential bidder did not acknowledge the addendum timely and the bid was invalidated during their submission phase. The second potential bidder attempted to submit their bid after the bid deadline. The City received one valid bid from Step Saver CA, LLC (Step Saver CA) of Long Beach:

Vendor	City	Bid Amount
Step Saver CA	Long Beach	\$134.50/ton (\$699,400)

DWP staff estimates the need for 5,200 tons of salt (25 tons per delivery, 208 deliveries per year) for a total of \$699,400 per year with Step Saver CA at the current price.

The bid documents attached indicate an initial contract term through June 30, 2021, plus two additional two-year optional renewal periods. The current price of \$134.50 per ton is good for the first two-year period and can be negotiated up to the United States Bureau of Labor Statistics Consumer Price Index “All Urban Consumers for Riverside-San Bernardino-Ontario, California, (CPI-U), not seasonally adjusted for the most recent twelve (12) months for which statistics are available” on each subsequent renewal.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Funding for the recommended action is included in the DWP operating budget for the Water Utility Fund (Fund 570).

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: KATIE HOCKETT, ASSISTANT GENERAL MANAGER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

REVIEWED BY: KIM SITTON, FINANCE MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER & EXECUTIVE DIRECTOR

Attachments:

1. Notice Inviting Bids (NIB) No. 19-037CA Bulk KD Industrial Salt
2. Notice Inviting Bids (NIB) No. 19-037CA Addendum No. 1 Bulk KD Industrial Salt