



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/13/2016

ALL

Item Creation Date: 11/25/2016

S23657-A1 - Chemical Caustic Soda - MOTION

Agenda Item#: 3.

Background:

S12-S23657-A1 - Amend Council Motion No. 2010-0540 to increase the spending authority for chemical, caustic soda awarded to UNIVAR USA from \$7,165,015.54 to \$10,031,021.76 for the Department of Public Works and Engineering.

Specific Explanation:

The Director of the Department of Public Works & Engineering and the Chief Procurement Officer recommend that City Council approve an amendment to Council Motion (CM) No. 2010-0540 to increase the spending authority for chemical, caustic soda awarded to UNIVAR USA from \$7,165,015.54 to \$10,031,021.76 for the Department of Public Works and Engineering.

This award consists of soluble sodium hydroxide solution, aka caustic soda, chemicals utilized on a daily basis by the Department's Wastewater Operations (WWO) and Drinking Water Operations Branch (DWOB) to treat and disinfect wastewater and potable drinking water as promulgated by Federal and State regulations to preserve and protect to stabilize and purify potable drinking water and adjust the pH levels of wastewater. Caustic soda inhibits the deterioration of the City's sewer mains and prevents customer red water complaints. In addition, caustic soda is used in the chlorine scrubber systems to prevent the catastrophic effects of an accidental chlorine release. The additional spending authority is needed to meet the Department's ongoing daily operational needs.

This award began July 20, 2010 for a 60-month period with month-to-month options to extend, subject to the availability of funds, in an amount not to exceed \$7,165,015.54 by CM 2010-0540, passed July 14, 2010. Expenditures at this time have totaled \$7,071,386.75. The remaining spending authority is insufficient due to DWO's upsurge in chemical usage due to the challenging water quality conditions at the Department's 3 water purification plants, brought on by severe and prolonged rain events such as the Tax and Memorial Day rain occurrences. The Department also anticipates even higher usage rates with the upcoming winter season. An increase in an amount not to exceed \$2,866,006.22 will ensure there is an uninterrupted supply of this imperative chemical product until a new contract agreement can be approved by City Council. All other terms and conditions shall remain as originally approved by City Council.

This recommendation is made pursuant to Chapter 252, Section 252.022 (a) (2) "a procurement necessary to preserve or protect the public health and safety of the municipality's residents" of the Texas Government Code for exempted procurements.

M/WBE Subcontracting:

M/WBE Zero Percentage Goal approved by Office of Business Opportunity.

Fiscal Note:

Funding for this item is included in the FY2017 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.

John J. Gillespie, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority Signature

Prior Council Action:

Council Motion 2010-0540 – Passed: 07/14/2010

Amount of Funding:

\$2,866,006.22

Water & Sewer System Operating Fund (8300)

Contact Information:

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ATTACHMENTS:

Description	Type
<u>MWBE Document</u>	Backup Material
<u>Form A- Fair Campaign Ordinance</u>	Backup Material
<u>Form B - Fair Campaign Ordinance</u>	Backup Material
<u>Certificate of Funding</u>	Backup Material
<u>Affidavit of Owership</u>	Backup Material
<u>Contract Document</u>	Backup Material
<u>CM2010_0540</u>	Backup Material