

## Legislation Text

File #: 15-7923, Version: 1

### Contracts for Water and Wastewater Treatment Chemicals

#### **Action:**

- A. Award unit price contracts to the following lowest responsive bidders for the purchase of Water and Wastewater Treatment Chemicals for the term of two years:**
- Allied Universal Corporation,
  - Brenntag Mid-South, Inc.,
  - Chemtrade Chemicals Corporation,
  - Donau Carbon US, LLC,
  - Lhoist North America of Virginia, Inc.,
  - Pencco, Inc.,
  - Polytec, Inc.,
  - PVS Technologies, Inc.,
  - Univar USA, Inc.,
  - Water Guard, Inc.,
- B. Approve the purchase of magnesium hydroxide, as authorized by the sole source exemption of G.S. 143-129 (e)(6), and**
- C. Approve a contract with Premier Magnesia, LLC for the purchase of magnesium hydroxide for the term of two years.**

#### **Staff Resource(s):**

Angela Lee, Charlotte Water  
Ron Hargrove, Charlotte Water

#### **Sole Source Exemption**

- G.S. 143-129 (e)(6) provides that formal bidding requirements do not apply when:
  - Performance or price competition are not available;
  - A needed product is available from only one source or supply; or
  - Standardization or compatibility is the overriding consideration.
- Sole sourcing is necessary for this contract because there is only one supply source.
- The City Council must approve purchases made under the sole source exception.

#### **Explanation**

- Charlotte Water uses a variety of chemicals in the water and wastewater treatment process, and each chemical plays an essential role to ensure the treated water is safe for customers and the environment.
- On January 11, 2018, the City issued an Invitation to Bid; 25 bids were received.
- On April 16, 2018, the City held a reverse auction to obtain pricing. The reverse auction process is a real time purchasing process in which bidders compete to provide goods at the lowest selling price in an open and interactive environment. The City conducted the reverse auction utilizing a contracted third party reverse auction service provider. By using the reverse auction method, the City was able to gain increased competition, consolidate the Request for Council Action, and coordinate all the treatment chemical contracts into one contract cycle.
- G.S. 143-129.9 indicates the alternative competitive bidding method for the purchase of

apparatus, supplies, materials, or equipment, including a reverse auction as an appropriate form of bidding, as long as the local government has a contract with a reverse auction service provider.

- Total contract expenditures are estimated to be \$10,000,000 annually.

### **Charlotte Business INclusion**

No subcontracting goal was established because there are no subcontracting opportunities (Part C: Section 2.1(a) of the Charlotte Business INclusion Policy).

### **Fiscal Note**

Funding: Charlotte Water Operating Budget