



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 07/13/2021

**REQUESTER:** Geri Wellborn

**PRESENTER:** Geri Wellborn, Utilities Manager

**ITEM TITLE:** CONSIDERATION OF AWARDING, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF BID 2021-59 SUBMITTED BY PENCCO, INC., IN THE AMOUNT OF \$470 PER TON FOR 10% AND \$392 PER TON FOR 12% FOR THE PURCHASE OF FERRIC SULFATE FOR THE WATER TREATMENT FACILITY.

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### **BACKGROUND:**

On May 20, 2021, bids were opened for Bid 2021-59 for Ferric Sulfate. Ferric Sulfate is used as a coagulant in the treatment of water. Funds in the amount of \$1,076,941 have been budgeted in the fiscal year 2021-2022 (FYE 2022) Budget, Water Fund - Water Treatment Plant - Operating Chemicals (account 31955234 43108) for purchase of all treatment chemicals.

### **DISCUSSION:**

Specifications for Bid-2021-59 for Ferric Sulfate were sent to seven (7) vendors and three (3) bids were received. No-bids were due to uncertain costs and supply demands. The lowest and best bid meeting all specifications was submitted by Pencco, Inc. of San Felipe, TX, in the amount of \$470 per ton for 10%, and \$392 per ton for 12%. This compares to a cost of \$356 per ton last year for the 10%, an increase of 32.02 percent and a cost last year of \$316.67 per ton for 12%, an increase of 24.05 percent. This increase has occurred due to shipping/transporting costs in the railroad industry.

### **RECOMMENDATION:**

Purchases will be made throughout FYE 2022. Bids have been examined by staff and found to be in order and proper as to form. Based upon the above information, staff recommends acceptance of the low bid as listed above.