

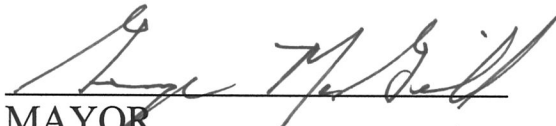
RESOLUTION ACCEPTING BIDS FOR THE PURCHASE OF
WATER AND WASTEWATER CHEMICALS FOR 2023-2024

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY
FORT SMITH, ARKANSAS, THAT:

The Bids, as indicated by enclosure on the attached Bid Tabulation 5501-2324-BA for the purchase of water and wastewater chemicals for 2023-2024, are accepted.

This Resolution adopted this 19th day of September 2023.

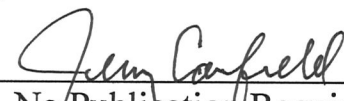
APPROVED:


MAYOR

ATTEST:


CITY CLERK

Approved as to form:


 No Publication Required

Publish ___ Times

Interoffice Memorandum

TO: Carl Geffken, City Administrator
COPY TO: Lance McAvoy, Director of Water Utilities
FROM: Alie Bahsoon, Purchasing Manager *AB*
SUBJECT: 2023-2024 Water Chemical Bid Tabulation
DATE: September 12, 2023
BID TAB: 5501-2324-BA



Attached you will find the bid tabulation for Treatment Chemicals for the 2023-2024 year. These chemicals will be used by the Fort Smith Water and Wastewater Departments.

In an ongoing effort to significantly reduce cost and realize efficiencies in our procurement process, we once again solicited bids by partnering with eBridge, an online service that assists buyers like the City in achieving true-market value through its competitive sourcing and online procurement system. Our traditional sealed bid process allows a vendor to submit one bid. By virtue of conducting the chemical bid through eBridge, a vendor has the opportunity to adjust their bid price during the online bid event and the City therefore benefits significantly in realizing cost reductions and procurement efficiencies through this process.

Due to the volatility of the chemical market, labor disputes, limited supply, and on-going delivery delays, we were forced to restructure our bid requirements to allow for price adjustments on a quarterly basis. Our bids in the past locked the prices for a 12 month period and because of the current market conditions, doing so this year would have limited competition and therefore resulted in higher prices. I reached out to other municipalities that had to adjust as well due to these very same issues. Based on vendor feedback and recommendations from the eBridge staff, I consulted with the Utilities Management staff and it was determined it would be in the City's best interest to allow for quarterly adjustments in pricing (up or down).

A total of 21 suppliers (18 last year) participated in this online bid event and 870 total bids were placed (501 last year) with 366 total first-place turnovers (85 last year). As an example (see Exhibit A), three vendors were competitively bidding on Calcium Nitrate. Because of the online bid process, 248 bids were submitted (as opposed to three bids, the traditional way). While bidding, each vendor has no knowledge of their competitor's price. The vendor simply sees their current ranking and is afforded the opportunity to adjust their price. This process resulted in a total of 248 bids submitted with the 1st place turnover rate of 138 times. Additionally, the vendor that was awarded the bid at \$649.50, their starting bid price was \$900 per liquid ton and placed a total of 76 bids. The second lowest bidder submitted a total of 171 bids with a starting bid price of \$950 and an ending bid price of \$650. With a clear picture of where they rank in the bidding process, vendors have unlimited opportunities to lower their price. This 100% transparent process allows each vendor a fair opportunity and the end result is significant cost savings for the City.

Please note that liquid chlorine and potassium permanganate were not included in the online bid process with eBridge. They are being presented as separate items for approval by way of ordinances.

Although the specifications are not attached, they are available in my office should you or any members of the board wish to view them.

I am recommending that the bids noted by enclosure on the attached tabulations be accepted.

Please let me know if you or any of the board members should have any questions.

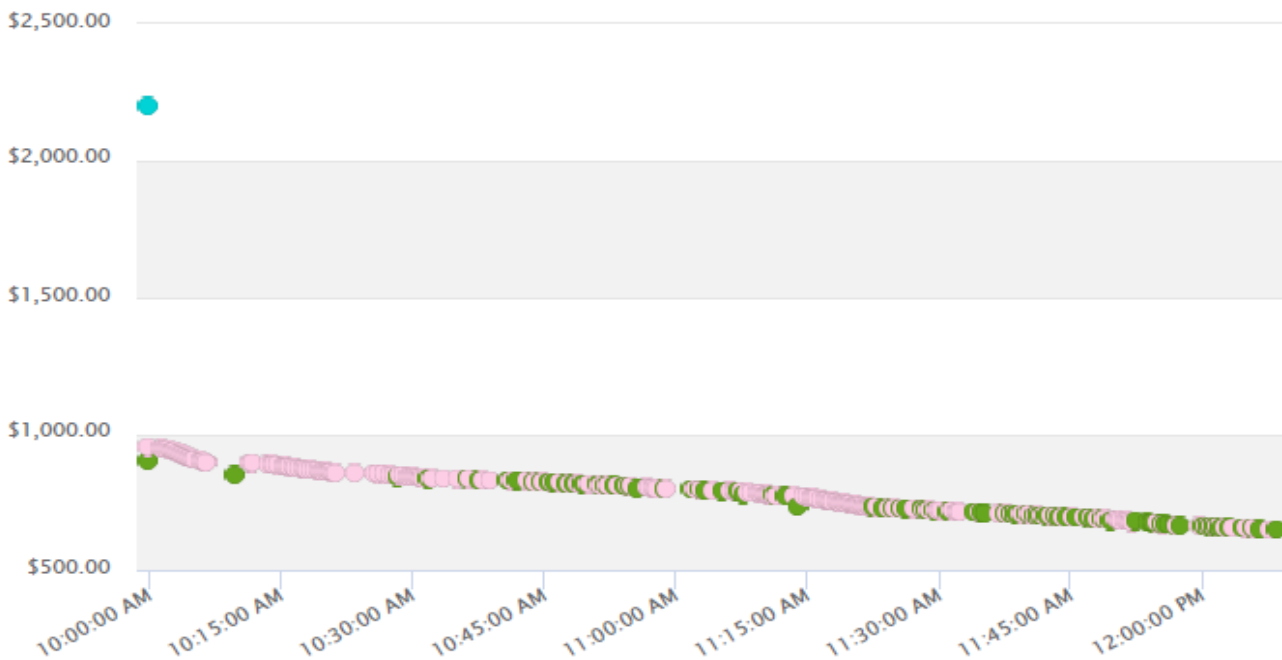
EXHIBIT A



Event Summary Report
 Water and Wastewater Treatment Chemicals 2022-2023
 Started: 9/12/2023 10:00 AM
 Ended: 9/12/2023 12:11 PM

Calcium Nitrate - per Specifications, Delivered - Price per LIQUID TON

Rank	Company	Initial Bid	Final Bid	# of Bids
1	● Aulick Chemical Solutions	\$900.00	\$649.50	76
2	● Thatcher Company, Inc.	\$950.00	\$650.00	171
3	● Brenntag Southwest Inc.	\$2,200.00	\$2,200.00	1



Bid Stats

Number of Bids	248
1st Place Turnovers	138
Est. Bid Decrement	\$1.50
Avg. Time Between Bids	739 milliseconds
High-Low Spread % 1st-2nd	0.08%
High-Low Spread % Total	70.48%
Extension Count	611

City of Fort Smith Bid #5501-2324-BA
2023-2024 Water & Waste Water Treatment Chemicals (Effective October 1, 2023 - September 30, 2024)

Vendor	Hydrated Lime	Liquid Chlorine *	Liq. Ferric Sulfate	Potassium Perm. **	SW-102 Polymer	CF-150 Polymer	Sodium Hypochlorite	Pow. Act. Carbon Lee Creek	Pow. Act. Carbon Lake Ft. Smith	Calcium Nitrate	Sodium Carbonate	Fluorosilicic Acid Lake Ft. Smith	Fluorosilicic Acid Lee Creek	Peracetic Acid Massard	Peracetic Acid P Street
2022-2023 Pricing	\$425.00	\$2,360.00	\$362.50	\$4.449	\$0.910	\$0.5490	\$3.750	\$1.278	\$1.319	\$654.05	\$607.70	\$780.00	\$850.00	\$0.648	\$0.648
Unit of Measure	Ton	Ton	Wet Ton	Pound	Pound	Pound	Gallon	Pound	Pound	Liquid Ton	Ton	Ton	Ton	Pound	Pound
AR Lime Co.	\$500.00 ✓														
Atlas Carbon, LLC									\$1.1000						
Aulick Chemical Solutions										\$649.50 ✓					
BioSafe Systems														\$0.6400	\$0.6400
Brenntag Southwest *		\$2,760.00 ✓			\$2.000	\$1.000	\$5.000 ✓			\$2,200.00	\$900.00				
Carbon Activated Carbon								\$1.3653	\$1.0442						
CarbPure Technologies LLC									\$1.2500						
Carmeuse Lime, Inc.	\$570.62														
Carus Corporation **				\$4.320 ✓											
Chemtrade Chemicals			\$429.50 ✓			\$0.4700									
Donau Carbon								\$1.2310 ✓	\$1.0420 ✓						
Enviro Tech Chemical														\$0.5810 ✓	\$0.5810 ✓
Evonik Corporation ***														\$0.5800	\$0.5800
Jacobi Carbons, Inc.								\$1.2339	\$2.1300						
Lhoist North America	\$591.72														
Mississippi Lime Co	\$541.08														
Norit Americas Inc.								\$1.5000	\$1.1500						
Pencco, Inc.			\$430.00									\$799.00 ✓	\$1,280.00 ✓		
Thatcher Company Inc.										\$650.00	\$850.00 ✓				
USALCO						\$0.4680 ✓									
Water Tech, Inc.					\$1.250 ✓									\$ 0.6700	\$ 0.6700
Incumbent	AR Lime	Brenntag SW	Chemtrade	Carus Corp.	Water Tech	G2O Tech	Brenntag SW	Donau	Donau	Thatcher Co.	Thatcher Co.	Univar	Univar	Enviro Tech	Enviro Tech

Price **Increase/(Decrease)** \$75.00 \$400.00 \$67.00 (0.1290) \$0.340 (0.0810) \$1.250 (0.0470) (0.2770) (\$4.55) \$242.30 \$19.00 \$430.00 (0.0670) (0.0670)

✓ **Bid Award**
 * Negotiated price (only regional supplier) See Ord.
 ** Negotiated price (Sole Source) See Ord.
 *** Although lower than the incumbent by \$.001, the estimated annual savings is only \$670 for both plants; elected to stay with incumbent vendor due to a proven product, no delivery issues, & excellent customer service