



City Council Report

Date: January 12, 2009
To: City Council
Through: Bryan Raines, Deputy City Manager
From: Edward Quedens, Business Services Director
Subject: One-Year Renewal of the Term Contract for Bulk Methanol for the Utilities Department, Water Division (Mesa Contract #2007163)
"Citywide" contract

Purpose and Recommendation

Council is requested to approve a One-Year Renewal of the Term Contract for Bulk Methanol as recommended. Renewal pricing was obtained and evaluated by the Utilities and Business Services Department.

The Business Services Department recommends authorizing renewal of the contract with Western States Petroleum at \$310,000.00 annually, based on estimated requirements.

Background/Discussion

Bulk Methanol is one of the chemicals utilized by the Water Division in the treatment of wastewater. Staff has projected annual usage of this chemical to be an estimated 126,000 gallons.

This contract was awarded for one year, with four one-year renewals possible. Prices are based on the Methanex North America price plus \$0.325 per gallon for vendor profit and delivery charges.

Three responsive bids were received in November 2007.

Alternatives

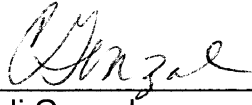
Council may choose not to renew this contract and new bids will be obtained.

Fiscal Impact

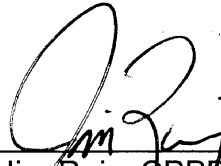
The total amount of \$310,000.00 is available in the Utilities Department's budget.

Coordinated With:

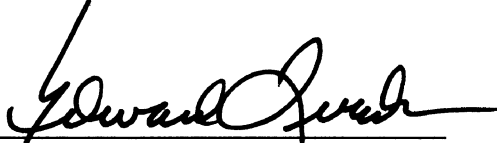
Utilities Department, Water Division



Cyndi Gonzales,
Management Assistant II



Jim Ruiz, CPPB
Purchasing Administrator



Edward Quedens, C.P.M.
Business Services Director



Bryan Raines,
Deputy City Manager

**RENEWAL RECOMMENDATION
BULK METHANOL
 (REQUEST FOR BID #2007163)**

Description	Renewal Amount/ Estimated Quantity	Estimated Cost
Bulk Methanol	\$2.1725 /Gallon Delivered @ 126,000 Gallons Annually	\$310,000

November 2007 Bid Results:

Western States Petroleum, Inc. \$ 2.3825 /gal. delivered (Awarded)
 Phoenix, AZ

Brenntag Pacific \$3.25 /gal. delivered
 Chandler, AZ

Tarr Acquisition, LLC \$4.32 /gal. delivered
 Phoenix, AZ

"No Bid" Response Received From:
 Univar USA, Inc. – Kent, WA