

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: 12/9/2009

Board Item: V-E-5

Tabulation of Bids for Liquid Sodium Hydroxide (Caustic Soda)

Action by Consent

Action

Information

Liquid sodium hydroxide (caustic soda) is used at all Denver Water treatment plants to control pH and to ensure compliance with the Lead and Copper Rule of the Environmental Protection Agency.

Caustic soda prices during 2009 have ranged from an unprecedented \$1,136.87 per ton to a historic low of \$331.17 per ton. For 2010, manufactures expect to see caustic soda levels rise and then level off by midyear.

Request for bids were sent to fifteen potential bidders, and faxed to eight SBE organizations. Denver Water received a total of three responses, as per the attached tabulation. None of the responses were SBE's. Pricing consists of two parts; profit & overhead and product cost. The low bid price submitted by Industrial Chemical Corporation for overhead and profit is, approximately \$100.00 per ton lower than the previous contract price. The overhead and profit price is firm for the first year, with cost of the product tied to a published index adjusted monthly.

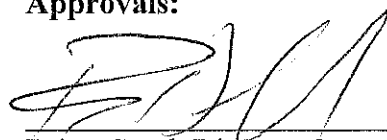
The previous contract for liquid sodium hydroxide was awarded November 14, 2007 to DPC Industrial, Inc.

Funds will be included in the 2010 through the 2014 Budgets for this expenditure (MPC 4CB0002, 4CB0003, 4CB0004 and 4BB0001).

Recommendation:

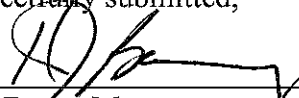
It is recommended the Board authorize award of Contract No. 12554A to Industrial Chemical Corporation to furnish liquid sodium hydroxide (caustic soda) for the contract period January 1, 2010 through December 31, 2014, for a total bid amount not to exceed \$4,032,000.00, plus a contingency amount of \$500,000.00, for a total contract amount not to exceed \$4,532,000.00. This award is based on best price, compliance with specifications and acceptable delivery.

Approvals:




Brian Good, Director Oper. & Maint.

Respectfully submitted,



H. J. Barry, Manager



David LaFrance, Director of Finance

8/31/09

Revised by Legal 8/31/2009