

WEST BASIN MUNICIPAL WATER DISTRICT

AUGUST 4, 2004 - Water Resources
 McDonald, Little
AUGUST 23, 2004 - Board Meeting
 Prepared by: Van M. Jew
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 Approved by: Richard Nagel

ACTION CALENDAR

SUPPLY AND DELIVERY OF ANTISCALANT

SUMMARY:

Antiscalant is used in the water treatment processes at the West Basin Water Recycling Plant, Exxon-Mobil Boiler Feed Plant, and the Juanita Millender-McDonald Carson Regional Water Recycling Plant. It is utilized to prevent scaling of the reverse osmosis system.

Under the current contract, which will expire in late-October, the District is paying slightly below the lower end of the current market price range. The District's current supplier of antiscalant, King Lee Technologies, has offered the District a one, two, or three-year extension (District's choice on extension length) at the price of \$0.79 per pound, complete.

The following is a summary of the current price paid by the District and the contract extension price offered to the District for the supply and delivery of antiscalant, complete (including taxes, freight charge, etc.):

Chemical	Proposed Award Price	Current Price Paid	Price Change
Antiscalant	\$0.79 per lbs.	\$0.85 per lbs.	Down 7%

Antiscalant bid results within the Southern California area during the last 18 months have ranged from \$0.89 to \$1.68 per pound.

Staff has identified the following two options:

Option 1:

Authorize the Co-Acting General Managers to enter into a contract extension for three years with King Lee Technologies to supply and deliver antiscalant at a price of \$0.79 per pound. The maximum amount of annual antiscalant purchases is estimated at \$165,000.

Option 2:

Direct staff to issue a "Request for Bids" for the supply and delivery of antiscalant. Staff anticipates that through the bidding process, a recommendation to the Board on the lowest responsible bidder will be made by the October Board meeting. Should the lowest responsible bidder be other than King Lee Technologies, demonstration testing may be required. Failure to pass the demonstration testing will result in a cancellation of the contract and a contract being awarded to the second lowest responsible bidder, which must also successfully pass a demonstration test.

Staff recommends Option 1, extending the current contract for a period of three years. The proposed contract extension price is below the market price and warrants "locking in" the price for three years. The District's operators also have a good working relationship with King Lee Technologies. In their pursuit of customer satisfaction, King Lee has, at times, gone beyond the scope of their contract to provide on-site, hands-on support at no cost to the District. Also, their product has proven effective and has passed trial pilot demonstration testing as required before large scale application.

FISCAL IMPACTS:

Funds are available in the Fiscal Year 2004-07 Operations and Maintenance Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on August 4, 2004 and recommended for approval at the August 23, 2004 Board meeting.

RECOMMENDED MOTIONS:

That the Board authorizes the Co-Acting General Managers to enter into a three-year contract extension from October 22, 2004 through October 21, 2007 with King Lee Technologies to supply and deliver antiscalant at a price of \$0.79 per pound, complete. The annual amount of antiscalant purchases is estimated at \$165,000.

LIST OF EXHIBITS:

None.