

JCI Jones



April 7, 2011

CITY OF ANN ARBOR  
WATER TREATMENT SERVICES

CITY OF ANN ARBOR  
INVITATION TO BID  
WATER CHEMICAL-SODIUM HYDROXIDE

BID NO. ITB-4153  
DUE: TUESDAY, MAY 3, 2011

Sealed bids will be received **(ORIGINAL PLUS ONE (1) COPY)** by the Purchasing Office on or before 2:00 p.m., TUESDAY, MAY 3, 2011, at which time they will be opened and publicly read aloud.

Specifications are attached.

We have enclosed our Human Rights Work Utilization Forms to be filled out and returned with our bid or you may submit an updated EEO-1 with your bid. Submittal of these forms with our bid is not a requirement of this bid; however, the first and second low bidders are required to complete a contract compliance form or an acceptable equivalent by no later than 5:00 p.m. of the work day following the opening.

No bidder may withdraw his bid within 60 days after the date set for the opening thereof.

The City of Ann Arbor reserves the right to accept any bid, to reject any bid or all bids, to waive irregularities and/or informalities in any bid, and to make the award in any manner deemed in the best interest of the City.

Specifications referred to herein are used to indicate the desired type, and/or construction, and/or operation. An alternate may be offered if deviations from specifications are minor and if all deviations are properly outlined on a separate sheet. Failure to outline all deviations may be grounds for rejection of your bid (see attached specifications).

The decision of the City of Ann Arbor shall be final as to what constitutes acceptable deviations from specifications.

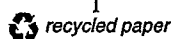
All envelopes must be clearly marked with the bid number, "WATER TREATMENT CHEMICAL - SODIUM HYDROXIDE", due date and time. We cannot be responsible for any bid not marked as stated above.

The City of Ann Arbor

Water Treatment Plant, 919 Sunset Road, Ann Arbor, Michigan 48103-2924

(734) 994-2840 Fax (734) 994-0151

[www.a2gov.org](http://www.a2gov.org)



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**GENERAL:** The City of Ann Arbor is soliciting bids for **SODIUM HYDROXIDE** as outlined below.

**CONTACT PERSON:** Any questions concerning this bid, please contact Larry D. Sanford, Assistant Plant Manager, Water Treatment Plant at (734) 994-2840, between the hours of 7:30 a.m. through 3:00 p.m., Monday through Friday.

**MATERIAL SAFETY DATA SHEET:** Each bidder shall provide the City of Ann Arbor with a complete copy of the U. S. Department of Occupational Safety & Health Administration, Material Safety Data Sheets, (form OSHA-20) for each product on which you are bidding.

**NSF/ANSI STANDARD 60:** The City of Ann Arbor Water Treatment Plant requires an affidavit from the manufacturer or bidder that the sodium hydroxide furnished under this contract conforms to NSF/ANSI Standard 60 and meets or exceeds this standard.

**COPIES OF BID:** The bidder will be required to furnish the original bid plus one (1) copy.

**QUANTITY:** The quantities shown are for estimating purposes only, not a guarantee of actual usage.

**SPECIFICATIONS:** See below – City of Ann Arbor Standard Specifications for sodium hydroxide

**ITEM NO. 1 SODIUM HYDROXIDE** Approx. Quantity 225 tons per year.

|                      |  |
|----------------------|--|
|                      | <u>50% Diaphragm or Membrane grade</u>           |
| Sodium Hydroxide     | \$ <u>560.<sup>00</sup> dry</u> TON (full loads) |
| Freight              | \$ <u>included</u> TON                           |
| Total delivered cost | \$ <u>560.<sup>00</sup> dry</u> TON              |

ALL SHIPMENTS WILL BE F.O.B. DESTINATION, FREIGHT PREPAID.

SUBJECT TO THE TERMS AND CONDITIONS OF THE CITY OF ANN ARBOR PURCHASE ORDER.

REMARKS:

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**Sodium Hydroxide to be delivered in 4,000 gallon shipments (24 Tons), approximately nine (9) times per year.**

**PRICES SHALL BE FIXED AND FIRM FOR THE TERM OF THE CONTRACT:** If the bidder is awarded a contract under this bid solicitation, the prices quoted by the bidder on the Bid Form shall remain fixed and firm during the life of this contract: provided however, that the bidder may offer incentive discounts from this fixed price to the City at any time during the contractual term. Bid to be firm through **June 30, 2011**.

**AWARD:** The award will be to the lowest total bid, or in any manner deemed to be in the best interest of the City of Ann Arbor. The City of Ann Arbor reserves the right to reject low bids which do not meet specifications.

**NOTE:** Previous experience and performance may be a factor in making the award.

**CONTRACT PERIOD:** Contract to start approximately July 1, 2011 to June 30, 2012.

**RENEWAL:** The proposed agreement may be renewed for up to three (3) one (1) year periods provided that by 45 days prior to end of the contract both parties agree to an extension under the same terms and conditions as exist in the current contract. No further renewal shall be made.

**Pricing:** Supplier may revise the price semi-annually using the formula below, using the Producers Price Index (PPI) published by the U.S. Bureau of Labor Statistics ("BLS"). The choice of specific BLS Producers Price index or indices and the weighting given to a choice of multiple indices will be mutually agreed upon by the City and the Provider. Seasonally unadjusted indices will be used. The adjusted price will be in effect for six months only, at which time it will be adjusted again or revert to the bid price (base selling price).

- The Supplier should include in their bid an appropriate index or indices and the weighting to be applied to each. The Supplier should include the Series ID number with their bid and include their proposed revision formula.
- The Supplier will adjust the price semiannually, on January 20 and July 20 (if the renewal extensions are exercised or the contract is multiyear).
- The Base Selling Price will be the amount bid by the Supplier.
- The Base Period Factor, denoted with a subscripted zero (in the example:  $E_0$  and  $D_0$ ), shall consist of an average of the most recent finalized indices for a period of one year, immediately preceding the date of the approved City Council

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resolution for the product being purchased, for that particular representative index. For monthly published indices this will be the arithmetic average of the twelve most recently published finalized indices. For quarterly published indices this will be the arithmetic average of the four most recently published finalized indices.

- The Adjustment Factor, denoted with no subscript (in the example: E and D), shall be based upon an average of the six most recently published monthly indices, (or three most recently published quarterly indices) at the time of the revision, for that particular index. For timeliness, if any monthly or quarterly index is still preliminary (designated with a P in the published numbers) at the time of the revision, it will be used in its preliminary state.
- Should the index referenced cease to be published or is published in an alternate form (different Series Number, Base Date, or Period), a mutually agreed upon and similar index will be used for future adjustments.
- When Base Dates are revised by the BLS, rebasing shall be done as needed based upon the old and new reference base period.
- The US Bureau of Labor Statistics Producers Price indices can be found at [www.bls.gov/ppi](http://www.bls.gov/ppi)
- The Revision Formula is:  $P = P_0[r/100(X/X_0) + s/100(Y/Y_0) + t/100(Z/Z_0) + \dots]$   
Where  
 $P_0$  = Base Selling Price or original bid price as per the Bid Documents.  
 $P$  = Revised product price for the new future six month period.  
 $X_0$  = Base Period Factor for a selected index.  
 $X$  = Adjustment Factor for the same index.  
 $r + s + t + \dots = 100$  = weighted proportion of selected index in revision formula

Following is an example of a revision formula. The parameters are defined below.

$$P = P_0 \times [0.70 (E/E_0) + 0.30 (D/D_0)]$$

Product Price

$P_0$  = Base Selling Price or original bid price as per the Bid Documents  
 $P$  = Revised product price for the new future six month period.

Electric Power

$E_0$  = Base Period Factor for Electric Power Distribution – East North Central  
 $E$  = Adjustment Factor for Electric Power Distribution – East North Central PPI Monthly Index - Series ID: PCU221122221122433, Not Seasonally Adjusted, Base Date: 9012

Diesel

$D_0$  = Base Period Factor for #2 Diesel Fuel

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D = Adjustment Factor for #2 Diesel Fuel PPI Monthly Index - Series ID:  
WPU057303, Not Seasonally Adjusted, Base Date: 8200

**NOTE:** If cost exceeds \$10,000.00 this bid will require Human Rights and if exceeds \$25,000.00 will require Council approval. Therefore, the bid could be approved after the date stated above. The purchase order will be issued as soon thereafter as possible.

**REFERENCES:** Please list three (3) references (Municipal Government) where your company has supplied a Bid of the type being proposed for the City of Ann Arbor (in our area). Failure to list references may result in your company being disqualified.

| <u>CITY</u>  | <u>ADDRESS</u>     | <u>CONTACT PERSON</u> | <u>PHONE NUMBER</u> |
|--------------|--------------------|-----------------------|---------------------|
| 1) Jackson   | 740 E. Mansion St. | Bob Kane              | 517.788-4073        |
| 2) Ferndon   | 15300 North Rd.    | Steven Guy            | 810.614.1761        |
| 3) Ypsilanti | 2777 State St.     | Kurian Joychan        | 734.484.4600 x122   |

**NOTE:** The City of Ann Arbor reserves the right to reject low bids for poor past performance or inadequate references.

**DELIVERIES:** Supply and transport F. O. B. Destination, Freight Prepaid to the City of Ann Arbor, Water Treatment Plant location and/or designated area on an "AS NEEDED BASIS".

**CONTRACT COMPLIANCE:** The successful bidder must comply with the city of Ann Arbor's Non-Discrimination Regulations (Chapter 112, Section 9:161 of the City Code) before award and at all times during the term of this proposed contract and/or agreement.

**ASSIGNMENTS:** The provider agrees not to assign or transfer this contract or any part thereof without the written consent of the City of Ann Arbor, acting through the Administrative Services Director or his authorized representative. Any unauthorized assignment may subject the contractor to immediate termination.

**ERRORS/OMISSIONS/DISCREPANCIES:** Any errors, omissions or discrepancies in the specifications discovered by a prospective contractor and/or service provider shall

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be brought to the attention of Larry Sanford, Assistant Manager, Water Treatment Plant (734) 994-2840 as soon after discovery as possible. Further, the contractor and/or service provider shall not be allowed to take advantage of errors, omissions or discrepancies in the specifications.

**INSURANCE/INDEMNIFICATION:**

A. The Contractor shall procure and maintain during the life of this Contract, such insurance policies, including those set forth below, as will protect itself from all claims for bodily injuries, death or property damage which may arise under this Contract; whether the acts were made by the Contractor or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

1. Worker's Compensation Insurance in accordance with all applicable state and federal statutes.
2. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements including, but not limited to: Products and Completed Operations, Explosion, Collapse and Underground coverage or Pollution. Further, the following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined.

\$2,000,000 Per Job General Aggregate

\$1,000,000 Personal and Advertising Injury

3. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.

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- B. Insurance required under A.2 and A.3 of this Contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Contractor agrees to waive any right of recovery by its insurer against the City.
- C. In the case of all Contracts involving on-site work, the Contractor shall provide to the City before the commencement of any work under this Contract documentation demonstrating it has obtained the above mentioned policies. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Contractor supplies a copy of the endorsements required on the policies. Upon request, the Contractor shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this Contract, the Contractor shall deliver proof of renewal and/or new policies to the Administering Department at least ten days prior to the expiration date.
- D. Any insurance provider of Contractor shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.
- E. To the fullest extent permitted by law, for any loss not covered by insurance under this contract, the Contractor shall indemnify, defend and hold the City, its officers, employees and agents

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harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless and/or intentional wrongful or tortious acts or omissions by the Contractor or its employees and agents occurring in the performance of this agreement.

**Contractor will maintain all required insurance of the parties as specified during the during the existence of this contract, including renewals.**

**DEFAULT:** If defined as the failure of the provider to fulfill the obligations of the contract, including but not limited to: failure to deliver on time or the unauthorized substitution of articles other than those quoted and specified on the contract; or failure to deliver specified quantities (repetitive shortages). If continued abuse of any or all of the above conditions persist, the City of Ann Arbor will notify the provider in writing. The provider will be given thirty (30) days to correct this "Default" condition. Failure to do so within the specified period will result in the City's canceling the contract and procuring the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby.

**TERMINATION:** The City shall have the privilege, with or without cause, to cancel and annul this agreement at any time on 30 days notice to the bidder. The City shall provide notice of termination by first-class mail to the bidder at the address listed in the bid documents. If the contract is terminated for reasons other than breach of contract by the bidder, the bidder shall be compensated for services provided prior to the date of the notice of termination.

**CERTIFICATION:** We hereby certify that the "SODIUM HYDROXIDE" provided will meet or exceed your specifications in every respect.



Authorized Representative's Signature

Timothy Venier - Branch Manager

Printed Name

**PLEASE CHECK:** We have read the attached specifications thoroughly?

Yes       No



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Are all exceptions to the attached specifications properly outlined?

Yes       No

**INVOICE TERMS:** Discount of 0 % or \$\_\_\_\_\_ will be allowed for payment of invoice thirty (30) days from day of delivery and acceptance.

**OTHER TERMS:** Less than 30 days, E.O.M., Proximo, etc., will not be considered in determining award of contract.

The city of Ann Arbor reserves the right to accept any bid, to reject any bid or all bids, to waive irregularities and/or informalities in any bid, and to make the award in any manner deemed in the best interest of the City.

The undersigned agrees that if the bid is accepted by the City of Ann Arbor, a binding contract will be in effect for the delivery of the goods in accordance with the bid.

All envelopes must be clearly marked with the bid number, "WATER TREATMENT CHEMICAL - SODIUM HYDROXIDE", due date and time. We cannot be responsible for any bid not marked as stated above.

RETURN BID TO:      CITY OF ANN ARBOR  
                                 PURCHASING OFFICE  
                                 P.O. BOX 8647  
                                 ANN ARBOR, MICHIGAN 48107-8647

Or


CITY OF ANN ARBOR  
PURCHASING OFFICE  
301 E. HURON ST.  
ANN ARBOR, MI 48104

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Jcl Jones Chemicals, Inc.  
COMPANY  
18000 Payne Street  
ADDRESS  
Riverview MI 48193  
CITY STATE ZIP

COMPANY'S REPRESENTATIVE:

  
SIGNATURE  
Timothy Venier  
PRINTED  
Branch Manager  
TITLE

04.26.11  
DATE

734.283.0677  
PHONE NUMBER

734.283.0979  
FAX Number