

Board of Trustees Agenda Item

Board Meeting Date: March 5, 2012

Title of Item: Award a Contract for Water Treatment Program Services, Bid 1216

Background and Analysis:

The bid is for a water treatment program that includes service to all closed and open loops for chillers, boilers and cooling towers at both campuses. The bid specifications require that an “eddy current” test be performed to determine the condition of five (5) chillers and that the contractor perform monthly service and maintenance of the designated chillers, boilers and cooling towers. A complete set of all bid documents are on file in the Purchasing Services Department.

The bid was advertised on October 14 and October 21, 2011. The “Invitation to Bid” was sent to several local water treatment service companies. Three (3) companies had representation at the bid conference. Bids were publicly opened and read on November 30, 2011 in the Purchasing Services office. All three (3) companies submitted bids. Bid results are below:

BID RESULTS

Company Name	Total Base Bid
San Joaquin Chemicals, Inc.	\$34,505.00
U.S. Water Services	\$48,539.04
Water Tech Specialties, Inc.	\$45,756.00

San Joaquin Chemicals, Inc. (SJC) is the apparent low bidder. However, on December 6, 2011 the District received a bid protest from Water Tech Specialties, Inc. alleging that SJC does not possess the required California Department of Pesticide Regulation Pest Control Business license for its technicians to dispense the “microbial” chemicals described in the bid documents. Furthermore, SJC filed a bid protest alleging that the other bidders can not comply with a bid specification requirement that bans the use of subcontractors to conduct the eddy current test. Purchasing Services staff actively investigated the allegations and considered rebidding the project with modified specifications to address the issues. Water Tech Specialties, Inc. confirmed that it cannot perform the “eddy current” test without using a subcontractor. However, the State of California granted the required business license to SJC on February 6, 2012. Thus, SJC is properly licensed by the State of California Department of Pesticide Regulation. Furthermore, SJC has confirmed in writing on January 24, 2012 that anyone employed by SJC who applies a pesticide at the District will also have a Qualified Applicators License (QAL).

Therefore, Purchasing Services staff and Mr. Frank Nunez, Director of Facilities & Operations, determined that the District would receive no advantage in rebidding the project. Furthermore, they recommend that both bid protests be rejected and the Board of Trustees authorize award of a contract to SJC. The contract will not exceed an initial amount of \$34,505 for an eddy current test and monthly water treatment services through June 30, 2013. The District reserves the right to renew the contract up to the maximum contract length allowed by law, which is five years. The monthly fee shall be negotiated on an annual basis and it shall not increase more than 5% per year. These services will be funded through the Plant Services HVAC “B” budget.

Recommendation: Reject the protests received from both San Joaquin Chemicals, Inc. and Water Tech Specialties, Inc. and authorize Director of Purchasing Services to award a contract to San Joaquin Chemicals, Inc., pursuant to Water Treatment Program Services, Bid 1216, and authorize annual renewals for the monthly services.

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Is backup provided?	No