



Utilities Department

MEMO

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: STEVE POTTER, CITY MANAGER
CC: PHIL BRUN, UTILITIES DIRECTOR
DATE: MARCH 15, 2022
SUBJECT: WRITTEN DETERMINATION FOR PROCUREMENT VIA EXISTING CONTRACTS OF OTHER PUBLIC AGENCIES PURSUANT TO NAPA MUNICIPAL CODE SECTION 2.91.060 PURCHASE CONTRACT WITH BRENNTAG PACIFIC, INC. FOR POTABLE WATER TREATMENT PLANT CHEMICALS

Per **NMC 2.91.060**, the City may enter into a contract that is based upon terms of an existing contract of another public agency, provided that the City Manager makes a written determination of the following:

1. The City has an opportunity to enter into a proposed contract under terms materially the same as an existing contract between the contractor and another public agency.

For over 20 years, the City of Napa has been a participating member of the North Bay Agency Chemical Pool (NBACP), which annually, collectively, requests competitive bids, meeting the public procurement process for all public agencies including Cities of American Canyon, Benicia, Calistoga, Davis, Fairfield, Petaluma, St Helena, Vacaville, Vallejo, West Sacramento, Solano Irrigation District, Town of Yountville, and Vallejo Sanitation & Flood Control District. NBACP publicly requests bids via PlanetBids, Inc., a web-based eProcurement company. See ATTACHMENT 1 entitled, "NOTICE TO BIDDER: NORTH BAY AGENCY CHEMICAL POOL (NBACP) CHEMICAL REQUIREMENTS for 2021-2022" for procurement process and general bid requirements.

2. The terms of the proposed contract between the contractor and the city are

more beneficial to the city than the city would otherwise be able to obtain by complying with the relevant requirements set forth in this chapter. This includes documentation of the steps the city has taken to evaluate alternative sources of the subject of the contract.

Chemical purchases include delivery to treatment plant sites. When a company has a guaranteed contract to multiple sites within a regional area, the provider is able to avoid higher costs for trucking due to delivery of half-loads, reduce their operating costs and provide the service at a lower cost. It is most efficient to deliver product to multiple treatment plants in the area when the supplier is assured there is a consistent market need and their cost per mile of product delivered is lowered. NBACP assures regional local agencies a lower price point for chemical purchase and delivery.

In the past, for various reasons, the City has purchased chemicals from vendors not selected by NBACP, discovering it was not entitled to the discounted volume pricing due to smaller loads to a single delivery location, therefore paying much more for the same chemicals, as well as requiring extensive staff time to ensure compliance with insurance requirements already secured by NBACP for awarded vendors.

- 3. By entering into the proposed contract, the city will meet the purpose and goals identified in Section 2.91.010(D) of this chapter. This includes documentation of the process used by the other public agency to procure the existing contract.**

The NBACP conducts competitively bid quotes from multiple suppliers, summarizes the bid prices for each product, and awards the contract to the lowest bidder. ATTACHMENT 1 entitled "NOTICE TO BIDDER: NORTH BAY AGENCY CHEMICAL POOL (NBACP) CHEMICAL REQUIREMENTS for 2021-2022" describes the procurement process and general bid requirements. ATTACHMENT 2 entitled "NORTH BAY AGENCY CHEMICAL POOL (NBACP) – PRIMARY CHEMICAL BID RESULTS MAY 5, 2021", lists the bids received by vendor and chemical, highlighting the selected bids.

- 4. The contract between the contractor and the city complies with the requirements of NMC Section 2.91.030(B).**

Pursuant to NMC Section 2.91.030(B)(2), the proposed contracts between the City and Brenntag Pacific, Inc. in the amount not to exceed \$200,000: (a) have been approved as to form by the City Attorney, (b) as determined by the City Auditor, there are sufficient unencumbered funds to cover the cost of the contract, and (c) upon approval by the City Council of the recommended action for the meeting of March 15, 2022, the City Council will have delegated contracting authority to the City Manager's designee (the Utilities Director) to approve the proposed contract.