



City of Morgan Hill

Legislation Text

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CITY COUNCIL STAFF REPORT

MEETING DATE: OCTOBER 19, 2016

PREPARED BY: Cynthia Iwanaga, Management Analyst/Community Services
APPROVED BY: City Manager

AWARD CO2 FOOD GRADE BULK SERVICE AGREEMENT

RECOMMENDATION(S)

Adopt resolution approving the following actions:

1. Award a service agreement to NuCO2, Inc. for the delivery of CO2 to the Aquatics Center and Centennial Recreation Center and the rental of three 1,000 pound CO2 tanks in the amount of \$100,000; and
2. Authorize the City Manager to negotiate, execute and administer that certain service agreement with NuCO2, Inc subject to the review and approval of the City Attorney.

COUNCIL PRIORITIES, GOALS & STRATEGIES:

Ongoing Priorities

Maintaining fiscal responsibility

2016 Focus Areas

Enhancing Our Services

REPORT NARRATIVE:

In September 2016, the City of Morgan Hill issued a Request for Proposals (RFP) for the rental of three 1,000 lb. CO₂ tanks at the Aquatics Center and the weekly or biweekly provision of food grade CO₂ to the Aquatics Center and the Centennial Recreation Center. CO₂ is used at the pools at both facilities to maintain water chemistry. While weekly deliveries are required during the summer season at the Aquatics Center, biweekly deliveries are all that are required during the off-season.

In soliciting proposals for this project, the City posted the attached RFP on the City of Morgan Hill website and the online service, Public Purchase. Proposals were opened on September 12, 2016. The sole proposal received in response to the solicitation was from NuCO2, Inc., a national provider of carbon dioxide to over 155,000 customers nationwide.

The pricing that NuCO2 has proposed is:

1. Monthly rental of three 1,000 lb. tanks \$100 per month per tank

2. Carbon Dioxide Food Grade Micro Bulk \$0.38 per pound

This pricing is slightly less than the prices the City is paying its current provider of \$111 per tank and \$0.396 per pound respectively.

Staff recommends awarding a Service Agreement to NuCO₂ for the monthly rental of three 1,000 pound CO₂ tanks and the weekly or biweekly provision of food grade CO₂ to the Aquatics Center and Centennial Recreation Center. If approved by the City Council, the contract term would begin on November 1, 2016 and end on June 30, 2019.

COMMUNITY ENGAGEMENT: Not Applicable

There should not be a change or disruption to services at the Aquatics Center and Centennial Recreation Center during the delivery of the CO₂.

ALTERNATIVE ACTIONS:

An alternative action is to not approve this agreement, but this option would leave the City without a contract to rent CO₂ tanks, and without the weekly or biweekly provision of food grade CO₂ for the Morgan Hill Aquatics Center and the Centennial Recreation Center.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The funding for the rental of the CO₂ tanks and the purchase of the food grade CO₂ is included in the adopted FY 16-17 and 17-18 budgets.

FISCAL AND RESOURCE IMPACT:

It is anticipated that approximately \$35,000 in CO₂ costs will result from this service agreement in FY 16-17 and the total contract amount is \$100,000 for the time period of November, 2016 through June, 2019. While it is impossible to estimate the City's anticipated savings with complete accuracy since CO₂ consumption varies based on pool usage, weather, and other factors, the City's savings should be approximately \$2,800 annually, CO₂ purchase costs were anticipated and included in the adopted Building Maintenance budgets for the Aquatics Center and Centennial Recreation Center.

CEQA (California Environmental Quality Act):

Categorical Exemption

The services proposed to be provided in this agreement are categorically exempt from CEQA per Section 15301 (Existing Facilities) of the CEQA guidelines.

LINKS/ATTACHMENTS:

1. Resolution
2. Service Agreement
3. RFP for CO₂