

- Report of Contracts for Equipment, Materials, Supplies and Routine Services for the First Quarter of Fiscal Year 2007/2008

Summary

Pursuant to Administrative Code Sections 2720(3) and 8121, the Report of Contracts for Equipment, Materials, Supplies, and Routine Services of \$250,000 or above for the first quarter of fiscal year 2007/08 is submitted in this report.

Attachments

Exhibit A is a table of contracts budgeted under the authority of the Department of the General Manager that were executed during the reporting period. The contracts have a maximum amount of \$250,000 or above, and five were awarded as the result of competitive bids. Listed below are descriptions of sole source contracts pursuant to administrative code section 8140.

POs 88027 and 88028 are one-year sole source renewal contracts for sludge hauling services at the Weymouth and Diemer facilities respectively on an as required basis. Metropolitan is studying the hauling operations at Weymouth and Diemer to develop new requirements and current volumes to obtain the most competitive rates at both facilities for the next 5-year contract period.

POs 88706, 88707, and 88708 are one-year sole source contracts for water treatment bulk hydrofluorosilicic acid, used to fluoridate the drinking water. Bidding did not prove advantageous. The bidders took exceptions and it was determined that no single supplier could meet all of Metropolitan needs. Therefore, three different supplier contracts were placed in order to meet all requirements.

PO 89205 is a one-time sole source purchase for a CAT backhoe/loader, motor grader, and front-end loader/tool carrier. The Air Resource Board (ARB) provided the grant funds and approved the specific models as part of the grant funding; it was determined that Johnson Machinery was the only supplier that could provide the sole brand equipment.

PO 89285 is a one-year sole source contract for voice, data and video services (CALNET II) and is a piggyback on the State of California contract with AT&T.

PO 89416 is a one-time sole source purchase for installation of 33kV power line to operate the Skinner oxidation retrofit project. Southern California Edison is the sole provider of commercial power in the Skinner plant area.

PO 88572 is a one-time sole source purchase for design and construction of 66kV transmission line and substation for service at the Weymouth facility. The transmission line will provide increased power due to addition of ozonation facility. Southern California Edison is the sole provider of commercial power in the Weymouth plant area. Board approved funding on Board Letter 8-4 at the January 2007 board meeting.

PO 88581 is a one-year sole source contract with renewal options for 100% of Metropolitan's requirements for aluminum sulfate (alum) at all locations in Southern California. Bidding for the alum did not produce an advantage. Only two bids were received one from Rhodia and one from General Chemical. Rhodia bid 30% lower than General Chemical. Rhodia's offer took material exceptions to Metropolitan terms that did not make award under the bid possible. As a result of the bid prices, and Rhodia's leading position as the only manufacturer of alum in Southern California, it was in the best interest of Metropolitan to cancel the bid and negotiate a sole source contract with Rhodia.

Detailed Report

In order to maintain core District functions, the General Manager has the authority pursuant to Administrative Code sections 2720(3) and 8121, to execute all contracts for the purchase of materials, supplies, and other consumable items and for routine services provided. Materials, supplies and items include fuels, water treatment chemicals, and bulk items. Sufficient funds are available within the annual budget.

Exhibit A: First Quarter 2007/2008

Contracts for Equipment, Supplies and Routine Services

<u>Supplier Name</u>	<u>Contract Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Number</u>	<u>Maximum</u>
Rotolo Chevrolet	Standard PO - Bid for compact and midsize vehicles	9/6/2007	One-time	89675	\$348,149.60
Longo Toyota	Standard PO - Bid for hybrid compact sedans	8/28/2007	One-time	89481	\$361,573.00
Fleet Transportation Services, LLC	Blanket - Bid for sludge hauling Skinner plant	Year 2 of 5 7/15/2007	7/14/2008	*78828-01	\$500,000.00
Fleet Transportation Services, LLC	Blanket - Sole Source for sludge hauling for La Verne plant	7/15/2007	7/14/2008	**88027	\$500,000.00
Fleet Transportation Services, LLC	Blanket - Sole Source for sludge hauling Diemer plant	7/1/2007	6/30/2008	**88028	\$626,000.00
Solvay Fluorides, LLC	Blanket - Sole Source for fluorosilicic acid for Jensen plant	Year 1 of 5 9/1/07	8/30/2008	***88706	\$1,500,000.00
LCI, Ltd.	Blanket - Sole Source for hydrofluorosilicic acid for Diemer, Mills and Skinner plants	Year 1 of 5 9/1/07	8/30/2008	***88707	\$1,800,000.00
Pencoco, Inc.	Blanket - Sole Source for hydrofluorosilicic acid for Weymouth plant	Year 1 of 5 9/1/2007	8/30/2008	***88708	\$566,500.00
Johnson Machinery Co.	Standard PO - Sole Source for CAT backhoe/loader, motor grader, front-end loader/toolcarrier - CARB grant #G06-PA46	8/15/2007	One-time	**89205	\$717,840.00
AT&T	Master - Sole source for CALNET II	8/15/2007	8/14/2008	**89285	\$950,000.00
Southern California Edison Co.	Standard PO - Sole Source for design and installation of 33kV power line for Skinner plant	8/23/2007	One-time	**89416	\$1,000,000.00
Southern California Edison Co.	Standard PO - Sole Source for design and installation of a 66kV transmission line and substation for Weymouth ozonation facility	7/12/2007	One-time	**88572	\$1,563,900.00
CIBA Specialty Chemicals Corp	Blanket - Bid for polyadamac polymer	Year 2 of 5 7/1/07	6/30/2008	*79524-01	\$3,000,000.00
Rhodia, Inc.	Blanket - Sole Source for aluminum sulfate	Year 1 of 5 7/15/07	7/14/2008	***88581	\$3,900,000.00
Pioneer Americas, Inc.	Blanket - Bid for chlorine and caustic	Year 2 of 3 7/1/07	6/30/2008	69388-01	\$16,000,000.00
Total					\$33,333,962.60

*These Agreements contain provisions that allow them to be negotiated annually for a period up to five years.

**Sole Source: These are purchases that were not bid but awarded in accordance with Administrative Code provision 8140.

***These Agreements contain provisions for renewals up to 5 years and do not require competitive bidding in accordance with Admin Code provision 8140