



## AGENDA REPORT

**Meeting Date:** June 22, 2010

**Item Number:** G-9

**To:** Honorable Mayor & City Council

**From:** Shana Epstein, Environmental Utilities Manager  
Kevin Watson, Water Operations Manager *KS*

**Subject:** APPROVAL OF AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND KING LEE TECHNOLOGIES FOR THE PURCHASE OF CHEMICALS FOR THE WATER TREATMENT PLANT; AND

APPROVAL OF A CHANGE ORDER TO THE BLANKET PURCHASE ORDER IN THE AMOUNT OF \$12,000 TO KING LEE TECHNOLOGIES FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$61,000 FOR THE SERVICES

**Attachments:** 1. Amendment No. 2

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### RECOMMENDATION

It is recommended that the City Council approve the "Amendment No. 2 to an agreement between the City of Beverly Hills and King Lee Technologies for the purchase of chemicals for the water treatment plant", and approve a change order in the amount of \$12,000 to King Lee Technologies for a total not-to-exceed amount of \$61,000.

### INTRODUCTION

King Lee Technologies supplies chemicals for the water treatment plant consisting of Pretreatment Plus Silica Antiscalant and the following membrane cleaners: Diamite LpH used to clean metal oxides, inorganic salts and acid soluble scale from the reverse osmosis membranes; and Diamite AFT to clean silt, organics, particulates, colloids, microbiological matter and acid insolubles.

### DISCUSSION

On September 23, 2009, staff engaged the services of King Lee Technologies to supply chemicals for the water treatment plant. Staff initially estimated the cost to not exceed

\$49,000.00; however, due to the \*scaling of the second stage RO membranes, staff had to use an excessive amount of membrane cleaners. The proposed amendment is to increase the consideration amount by \$12,000. This will allow staff to continue using this vendor to supply chemicals for the water treatment plant.

The initial purchase order did not require a formal bid procedure. However, staff did get quotes from different vendors and selected King Lee Technologies and Professional Water Technologies, Inc., who provided the lowest quotes. King Lee Technologies also has agreed to keep these costs through June 2012. Quotes were received in June and July 2009 from the following vendors:

1. King Lee Technologies

- 1) Antiscalant  
Cost per 100 million gallons of water treated.      \$2,335.00
- 2) Low pH cleaner (per 55 gallon drum)      \$1,295.00
- 3) High pH cleaner      \$1,395.00

2. Professional Water Technologies Inc

- 1) Antiscalant  
Cost per 100 million gallons of water treated.      \$2,752.00
- 2) Low pH cleaner (per 55 gallon drum)      \$ 669.00
- 3) High pH cleaner      \$1,067.00

3. Avista Tech

- 1) Antiscalant  
Cost per 100 million gallons of water treated.      \$3,336.00
- 2) Low pH cleaner (per 55 gallon drum)      \$1,745.00
- 3) High pH cleaner      \$1,900.00

King Lee Technologies and Professional Water Technologies Inc. provided the lowest qualified quote for providing the chemicals. Blanket purchase orders were issued to both of these vendors. The antiscalant was ordered from King Lee Technologies who provided the lowest quote for antiscalant. When the scaling of the second stage RO membranes occurred, the City ordered membrane cleaners from King Lee Technologies as well as Professional Water Technologies Inc. in order to receive the requisite quantity of cleaners to correct the situation in a timely manner.

**FISCAL IMPACT**

Funds are available in the water enterprise fund.

Funds for this project are provided as follows:

Budget Unit	Account #	Description of Fund Source/Account #	Amount
8006002	72110	Chemicals	\$61,000.00

  
\_\_\_\_\_  
Scott Miller  
Finance Approval

  
\_\_\_\_\_  
David Gustavson  
Approved By

\* In the process of treating water using the reverse osmosis (RO) process, water is fed to a series of membranes using high water pressure. This causes the water to pass through the membranes leaving the total dissolved solids behind to be washed out through the brine or concentrate. Scaling of the RO membranes occur when the concentration of scale-forming solids within the RO feed-water cannot be washed out and form deposits on the membranes. Scaling means the deposition of particles on a membrane, causing it to plug. It is an unwanted effect that can occur during the RO process. Scaling causes a higher energy use and a shorter life span of the membranes. Scalants include such dissolved solids as calcium carbonate, calcium sulfate, barium sulfate, strontium sulfate, and reactive silica. These are difficult to remove from RO membranes and a low pH cleaner must be used to remove the scale. Scaling decreases the effectiveness of the membranes to treat the water.

# **Attachment 1**

Amendment No. 2

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE  
CITY OF BEVERLY HILLS AND KING LEE TECHNOLOGIES  
FOR THE PURCHASE OF CHEMICALS FOR THE WATER  
TREATMENT PLANT

NAME OF CONTRACTOR: King Lee Technologies

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Craig L. Netwig, President

CONTRACTOR'S ADDRESS: P.O. Box 146  
Del Mar, CA 92014  
Attention: Craig L. Netwig, President

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: David Gustavson  
Director of Public Works & Transportation

COMMENCEMENT DATE: September 7, 2009

TERMINATION DATE: September 6, 2010

CONSIDERATION: Original Agreement and Amendment No. 1  
Not to Exceed: \$49,000  
Amendment No. 2: \$12,000  
  
Total not to exceed amount: \$61,000

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE  
CITY OF BEVERLY HILLS AND KING LEE TECHNOLOGIES  
FOR THE PURCHASE OF CHEMICALS FOR THE WATER  
TREATMENT PLANT

This Amendment No. 2 is to that certain Agreement dated September 23, 2009, identified as Agreement No. 370-09, as amended by Amendment No. 1, dated December 21, 2009; and identified as Agreement No. 489-09 (the "Agreement"), by and between the City of Beverly Hills, a municipal corporation ("CITY") and King Lee Technologies ("CONTRACTOR"), copies of which are on file in the office of the City Clerk,.

RECITALS

A. The parties entered into an Agreement for the purchase of chemicals for the water treatment plant.

B. The parties desire to further amend the Agreement to increase the Consideration due to unforeseen conditions in the water treatment plant.

NOW THEREFORE, based upon the foregoing and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, the CITY and CONTRACTOR hereby agree as follows:

Section 1. The Consideration shall be amended as set forth above.

Section 2. Except as amended by Amendment No. 1 and as specifically amended by this Amendment No. 2, the Agreement shall remain in full force and effect.

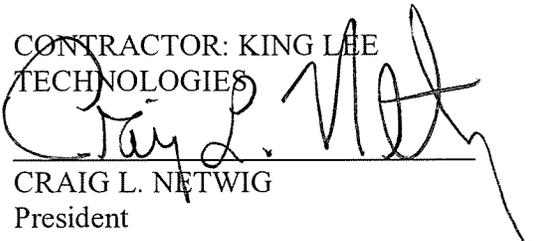
EXECUTED the \_\_\_\_ day of \_\_\_\_\_, 2010 at Beverly Hills, California.

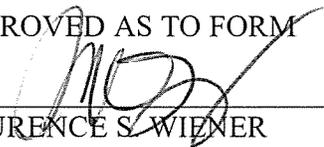
CITY OF BEVERLY HILLS

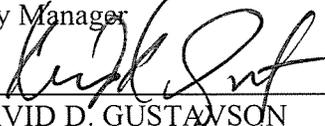
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JIMMY DELSHAD  
Mayor of Beverly Hills, California

ATTEST:

\_\_\_\_\_  
BYRON POPE  
City Clerk

CONTRACTOR: KING LEE  
TECHNOLOGIES  
  
\_\_\_\_\_  
CRAIG L. NETWIG  
President

APPROVED AS TO FORM  
  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT  
\_\_\_\_\_  
JEFFREY KOLIN  
City Manager  
  
\_\_\_\_\_  
DAVID D. GUSTAWSON  
Director of Public Works & Transportation  
  
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KARL KIRKMAN  
Risk Manager