



AGENDA REPORT

Meeting Date: April 5, 2016

Item Number: D-21

To: Honorable Mayor & City Council

From: Trish Rhay, Assistant Director of Public Works Services 
Vince Damasse, Water Resources Manager 
Derek Nguyen, Project Manager 

Subject: APPROVAL OF PURCHASE ORDER TO TORAY MEMBRANE U.S.A., INC. TO SUPPLY REVERSE OSMOSIS MEMBRANES FOR THE CITY'S WATER TREATMENT PLANT FOR A NOT-TO-EXCEED AMOUNT OF \$84,420.22

Attachments:

1. Bid
2. Vendor Quote

RECOMMENDATION

Staff recommends that the City Council move to approve a purchase order to Toray Membrane U.S.A., Inc., to supply the reverse osmosis membranes for the City's water treatment plant for a total not-to-exceed amount of \$84,420.22.

DISCUSSION

On March 9, 2016, the City issued Request for Quotations (RFQs) and solicited bids from Reverse Osmosis (RO) membrane manufacturers to supply new membrane elements to be used at the City's RO Water Treatment Plant.

The City is currently rehabilitating its water treatment plant and used this time to concurrently optimize the treatment plant facility to provide increased operational flexibility associated with the wider range of aquifer yields experienced in recent years. Due to the change and variation of aquifer yields, the City is now optimizing the treatment plant to handle the wider variation of feed rates produced by its wells. These changes are intended to help fine tune and maximize the plant's operational efficiency. The changes include elevating the submersible pumps in the City's existing wells to lessen the impact to the aquifer, automating control valves, adding an additional feed pump at the treatment plant to match the new pumping capacity from the wells and installing the associated chemical, mechanical and electrical appurtenances necessary to operate the plant under the new configuration.

The City retained Hazen and Sawyer as its consultant to provide engineering services to assist in the optimization of the RO Water Treatment Plant. As part of Hazen and Sawyer's scope of services, technical specifications for the new RO membranes were prepared and were included in the bid documents.

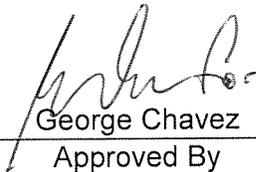
In order to meet the anticipated schedule of completing the enhancements and modifications needed at the water treatment plant to resume its operation in June 2016, staff solicited bids from several membrane manufacturers. Four (4) bids were received on March 17, 2016. The results of the bids were as follows:

Company	Total Cost
1. Hydranautics – Nitto Group Company	\$82,194.66
2. Toray Membrane, U.S.A.	\$84,420.22
3. Lanxess Sybron Chemicals, Inc.	\$90,415.50
4. Dow Chemical Company	\$100,580.00

Staff has reviewed the quality and responsiveness of the bids received and recommends that the City Council approve a Purchase Order for a not-to-exceed amount of \$84,420.22 to Toray Membrane U.S.A., Inc. Toray Membrane U.S.A., Inc. was the most responsive bid having met all the requirements of the specifications.

FISCAL IMPACT

Costs for this Purchase Order are included in Fund 800 for CIP Project No. 0795 Water Treatment Plant. The current balance in the CIP project fund is sufficient to fund the purchase.


George Chavez
Approved By

Attachment 1

Title: Reverse Osmosis Membranes for Water Treatment Plant

SECTION IV - BID FORM
(Must be completed by vendor)

The undersigned proposes to furnish all materials, supplies, equipment or services set forth herein subject to all conditions outlined in the RFQ, including the general instructions and information to bidders, at prices indicated below:

Full replacement option

Bid Proposal: \$ 84,420.22

Partial replacement option

Bid Proposal: \$ 42,436.27

Warranty As SPECIFIED Exceptions or Deviations attached YES NO

Delivery 2 Days After Receipt of P.O. (Number of Days)

Company Name TORAY MEMBRANE USA INC. Telephone (858) 722-3169

Address 13435 DANIELSON ST. POWAY, CA 92064

Person submitting bid STEVE CAPPAS L.E.O.
Print Name Title

Signature 

F.O.B.

All prices of the bid shall be F.O.B. destination Beverly Hills, California; and delivery to any point within Beverly Hills shall be without additional charge.

TAX

All bid quotes shall include sales taxes.

ACCEPTANCE OF BID

The City reserves the right to accept or reject any and all bids and reserves the right to waive technicalities where such action best serves the interests of the City. The manufacturer of the proposed materials or equipment may be required to acknowledge by written confirmation that the minimum requirements of the specifications are included in the Bidder's proposal before the award of the bid.

Title: Reverse Osmosis Membranes for Water Treatment Plant

EXCEPTIONS

Any bidder's exceptions to these terms or conditions or deviations from the written specifications shall be shown in writing and attached to bid form. However, such exceptions or deviations may result in bid rejection.

INSURANCE (applicable to successful bidder who may come into the City)

- (1) **Commercial general liability** coverage at least as broad as Insurance Services Office Commercial General Liability occurrence coverage ("occurrence" form CG0001, Ed. 11/85) with a limit of not less than \$2,000,000 (Two Million Dollars) per occurrence. If the insurance includes a general aggregate limit, that limit shall apply separately to this contract or it shall be at least twice the required per occurrence limit.
- (2) **Business automobile liability** insurance at least as broad as Insurance Services office form CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 "any auto" and endorsement CA 0029 (Ed. 12/88) with a limit not less than \$1,000,000 (One Million Dollars) per accident.
- (3) **Workers Compensation** Insurance as required by the State of California and **employers liability** insurance with a limit not less than \$1,000,000 (One Million Dollars) per accident.

All insurance coverages shall be provided by insurers with a rating of B+; VII or better in the most recent edition of Best's Key Rating Guide, Property-Casualty Edition.

Work on City property covered by a purchase order cannot be commenced until certificates of insurance have been approved.

Please use the official City of Beverly Hills certificate of insurance form (attached). If you use another form, the following requirements must be met to make the certificates acceptable to the City:

1	Name the City of Beverly Hills as additional insured for both GENERAL liability and AUTO liability; and
2	have at least thirty (30) days written notice of cancellation.

All certificates of insurance must remain current until the purchase order expires or is sooner cancelled.

AFTER THE ACCEPTANCE AND AWARD OF THE BID BY THE CITY COUNCIL UPON RECEIPT OF A WRITTEN PURCHASE ORDER EXECUTED BY A PROPER OFFICER OF THE CITY, THIS DOCUMENT WILL CONSTITUTE THE LEGAL CONTRACT BETWEEN THE CITY AND THE SUCCESSFUL BIDDER.

Title: Reverse Osmosis Membranes for Water Treatment Plant

If your response is "NO BID", please explain below:

~~_____~~
~~_____~~
~~_____~~
~~_____~~
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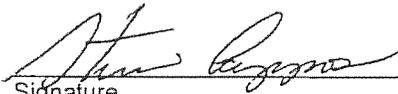
COMPANY NAME: TORAY MEMBRANE USA, Inc.

ADDRESS: 13435 DANFELSON ST.

CITY, STATE, ZIP CODE: POWAY, CA 92064

TELEPHONE NUMBER: 858 - 722-3169

BY: STEVE CAAPAS
Print Name


Signature

C.E.O.
Title

3/16/2016
Date

PLEASE RETURN TO:

CITY OF BEVERLY HILLS
OFFICE OF THE CITY CLERK, ROOM 290
455 NORTH REXFORD DRIVE
BEVERLY HILLS, CA 90210

Revised 03/08/16

BidTEMPLATE.doc

Title: Reverse Osmosis Membranes for Water Treatment Plant

SECTION III –SPECIFICATIONS

IN EVENT OF CONFLICT, THE FOLLOWING SPECIFICATIONS SHALL PREVAIL OVER GENERAL INSTRUCTIONS CONTAINED ELSEWHERE IN THIS BID.

Full replacement option

Description	QTY	u/m	Unit Cost	Extended Cost
RO membrane elements (8 x 40 inches) complete with all spare parts as specified in Section 11402	210	EA	\$402.00	\$84,420.22
Total				\$84,420.22

* SEE Quotation For Price Breakdown

Partial replacement option

Description	QTY	u/m	Unit Cost	Extended Cost
RO membrane elements (8 x 40 inches) complete with all spare parts as specified in Section 11402	105	EA	\$404.16	\$42,436.27
Total				\$42,436.27

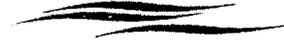
The following items must be included in the quote:

1. All transportation and delivery fees including freight charges, fuel charges or *✓ SEE Quote* any related charges.
2. Quote must include unit price, total price, taxes, and any delivery charges. *✓ SEE Quote*
3. Confirm that all membrane elements can be delivered within 28 calendar days (no later than May 9, 2016) upon acceptance of the quote. *✓ SEE Quote*
4. Membrane performance submittals in accordance with paragraphs 1.05 B and C of Specification Section 11402. *✓ SEE ATTACHED PROTECTIONS*
5. Membrane warranty in accordance with Part 3.04 of Specification Section 11402. *✓ WARRANTY PROVIDED AS SPECIFIED. SEE QUOTATION*

Attachment 2



Toray Membrane USA, Inc.



March 16, 2016

Toray Membrane USA, Inc. Quotation

Request for Quotation: Derek Nguyen, Ph.D., P.E.

Company Name: City of Beverly Hills

8 Inch Brackish RO Membranes Full Replacement Option						
Model	Description	Quantity	Flow	Rej. %	Price Ea.	Extended Price
TM720D-370	High Rejection	210	10200	99.8	\$360.00	\$75,600.00
50161	Codeline Adaptor	30			\$30.00	\$900.00
Misc.	Spare Parts	1			\$220.00	\$220.00
Subtotal						\$76,720.00
Shipping						\$795.42
Tax @9% (Beverly Hills)						\$6,904.80
Total:						\$84,420.22

8 Inch Brackish RO Membranes Partial Replacement Option						
Model	Description	Quantity	Flow	Rej. %	Price Ea.	Extended Price
TM720D-370	High Rejection	105	10200	99.8	\$360.00	\$37,800.00
50161	Codeline Adaptor	15			\$30.00	\$450.00
Misc.	Spare Parts	1			\$220.00	\$220.00
Subtotal						\$38,470.00
Shipping						\$503.97
Tax @9% (Beverly Hills)						\$3,462.30
Total:						\$42,436.27

Prices quoted are FOB Jobsite.

1. Warranty is supplied as stated in Bid Document #16-06 dated March 8, 2016 along with Addendum #1 and Addendum #2.
2. All orders are Net 30 days with approved credit or cash in advance. Toray Membrane USA, Inc. credit terms apply to all credit sales.
3. All references to availability appearing within this quotation are based on current stock levels on the date of the quotation. All parts quoted are currently in stock. All parts can be delivered within 28 calendar days (no later than May 9, 2016).
4. Quotation is valid for 90 days.