

April 7, 2011

Sealed bids will be received **(original plus one (1) copy)** by the Purchasing Office on or before 2:00 p.m., Tuesday, May 3, 2011, at which time they will be opened and publicly read aloud.

Specifications are attached.

We have enclosed our Human Rights Work Utilization Forms to be filled out and returned with your bid or you may submit an updated EEO-1 with your bid. Submittal of these forms with your bid is not a requirement of this bid; however, the first and second low bidders are required to complete a contract compliance form or an acceptable equivalent by no later than 5:00 p.m. of the work day following the opening.

No bidder may withdraw his bid within 60 days after the date set for the opening thereof.

The City of Ann Arbor reserves the right to accept any bid, to reject any bid or all bids, to waive irregularities and/or informalities in any bid, and to make the award in any manner deemed in the best interest of the City.

Specifications referred to herein are used to indicate the desired type, and/or construction, and/or operation. An alternate may be offered if deviations from specifications are minor and if all deviations are properly outlined on a separate sheet. Failure to outline all deviations may be grounds for rejection of your bid (see attached specifications).

The decision of the City of Ann Arbor's authorized representative, shall be final as to what constitutes acceptable deviations from specifications.

All envelopes must be marked with the bid number, "WATER TREATMENT CHEMICAL – LIQUID OXYGEN", due date and time. We cannot be responsible for any bid not marked as stated above.

City of Ann Arbor

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

GENERAL: The City of Ann Arbor's Purchasing Division is soliciting bids for Liquid Oxygen (LOX) as outlined below.

CONTACT PERSON: If there any questions concerning the attached specifications, please contact Larry Sanford, Assistant Manager, Water Treatment Plant at (734) 994-2840 Monday through Friday, between the hours of 7:30 a.m. through 3:00 p.m.

MATERIAL SAFETY DATA SHEET: Each bidder shall provide the City of Ann Arbor with a complete copy of the U. S. Department of Occupational Safety & Health Administration, Material Safety Data Sheets, (form OSHA-20) for each product you are bidding on.

INSPECTION OF SITE: A bidder may inspect the City's site and equipment prior to submitting its bid. Please contact the City's Contact Person, as provided above, to make arrangements.

COPIES OF BID: The bidder shall furnish **the original bid plus one (1) copy.**

QUOTATION:

ITEM NO. 1 Liquid Oxygen (LOX)

QUANTITY: Approximately 200,000 HCF of LOX per year delivered in bulk.

| | <u>PRICE</u> |
|----------------------|--------------|
| LIQUID OXYGEN BULK | \$ _____ TON |
| FREIGHT | \$ _____ TON |
| TOTAL DELIVERED COST | |
| \$ _____ TON | |

Please indicate surcharges, and other additional freight charges such as that assessed for "**Frost Laws**" load restrictions appropriately.

Additional freight costs during Road Weight Restrictions:

\$ _____/ton

LIQUID OXYGEN SHALL BE SUPPLIED TO THE CITY OF ANN ARBOR WATER TREATMENT PLANT, F.O.B. DESTINATION, FREIGHT PREPAID. CONTRACTOR

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

SHALL BE RESPONSIBLE FOR TRANSFERRING THE PRODUCT FROM TRANSPORT VEHICLE TO THE CITY OF ANN ARBOR STORAGE VESSEL. BIDDER SHALL SPECIFY MINIMUM SHIPPING AMOUNT IF ANY:

SPECIFICATIONS ARE ATTACHED.

Bid to be firm through June 30, 2011.

MONITORING: The successful Provider may provide a telemetry device(s) for tank monitoring that provides data to the Provider on tank level, so that ordering product is unnecessary and resupply is managed by the supplier according to the needs of the Water Treatment Plant. This device (these devices) will be at no cost to the City of Ann Arbor.

CERTIFICATION: We hereby certify that the "LIQUID OXYGEN" provided will meet or exceed your specifications in every respect.

Authorized Representative's Signature

Printed Name

QUANTITY: These quantities shown are for estimating purposes only, not a guarantee of actual usage.

AWARD: The award will be to the lowest total responsible bidder or in any manner deemed to be in the best interest of the City of Ann Arbor.

NOTE: Previous experience and performance may be a factor in making the award.

CONTRACT PERIOD: One (1) year period, to start approximately July 1, 2011, through June 30, 2012.

RENEWAL: The proposed agreement may be renewed for up to three (3) one (1) year

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154

DUE: TUESDAY MAY 3, 2011

periods provided that by 45 days prior to end of the contract both parties agree to an extension under the same terms and conditions as exist in the current contract. No further renewal shall be made.

Pricing: Supplier may revise the price **semi-annually** using the formula below, using the Producers Price Index (PPI) published by the U.S. Bureau of Labor Statistics ("BLS"). The choice of specific BLS Producers Price index or indices and the weighting given to a choice of multiple indices will be mutually agreed upon by the City and the Provider. Seasonally unadjusted indices will be used. The adjusted price will be in effect for six months only, at which time it will be adjusted again or revert to the bid price (base selling price).

- The Supplier should include in their bid an appropriate index or indices and the weighting to be applied to each. The Supplier should include the Series ID number with their bid and include their proposed revision formula.
- The Supplier will adjust the price semiannually, on January 20 and July 20 (if the renewal extensions are exercised or the contract is multiyear).
- The Base Selling Price will be the amount bid by the Supplier.
- The Base Period Factor, denoted with a subscripted zero (in the example: E_0 and D_0), shall consist of an average of the most recent finalized indices for a period of one year, immediately preceding the date of the approved City Council resolution for the product being purchased, for that particular representative index. For monthly published indices this will be the arithmetic average of the twelve most recently published finalized indices. For quarterly published indices this will be the arithmetic average of the four most recently published finalized indices.
- The Adjustment Factor, denoted with no subscript (in the example: E and D), shall be based upon an average of the **six** most recently published monthly indices, (or three most recently published quarterly indices) at the time of the revision, for that particular index. For timeliness, if any monthly or quarterly index is still preliminary (designated with a P in the published numbers) at the time of the revision, it will be used in its preliminary state.
- Should the index referenced cease to be published or is published in an alternate form (different Series Number, Base Date, or Period), a mutually agreed upon and similar index will be used for future adjustments.
- When Base Dates are revised by the BLS, rebasing shall be done as needed based upon the old and new reference base period.

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

- The US Bureau of Labor Statistics Producers Price indices can be found at www.bls.gov/ppi
- The Revision Formula is: $P = P_0[r/100(X/X_0) + s/100(Y/Y_0) + t/100(Z/Z_0) + \dots]$
Where
 P_0 = Base Selling Price or original bid price as per the Bid Documents.
 P = Revised product price for the new future six month period.
 X_0 = Base Period Factor for a selected index.
 X = Adjustment Factor for the same index.
 $r + s + t + \dots = 100$ = weighted proportion of selected index in revision formula

Following is an example of a revision formula. The parameters are defined below.

$$P = P_0 \times [0.70 (E/E_0) + 0.30 (D/D_0)]$$

Product Price

P_0 = Base Selling Price or original bid price as per the Bid Documents
 P = Revised product price for the new future six month period.

Electric Power

E_0 = Base Period Factor for Electric Power Distribution – East North Central
 E = Adjustment Factor for Electric Power Distribution – East North Central PPI Monthly Index - Series ID: PCU221122221122433, Not Seasonally Adjusted, Base Date: 9012

Diesel

D_0 = Base Period Factor for #2 Diesel Fuel
 D = Adjustment Factor for #2 Diesel Fuel PPI Monthly Index - Series ID: WPU057303, Not Seasonally Adjusted, Base Date: 8200

NOTE: If cost exceeds \$10,000.00 this bid will require Human Rights approval and if it exceeds \$25,000.00 will require City Council approval. Therefore, the bid could be approved after the date stated above. The purchase order will be issued as soon thereafter as possible.

DELIVERIES: Supply and transport F. O. B. Destination, Freight Prepaid to the City of Ann Arbor, Water Treatment Plant location and/or designated area on an "AS NEEDED BASIS".

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

NOTE: Failure to comply shall be grounds for rejection of bid.

ASSIGNMENTS: The Provider agrees not to assign or transfer this contract or any part thereof without the written consent of the City of Ann Arbor, acting through the Administrative Services Director or his authorized representative. Any unauthorized assignment may subject the contractor to immediate termination.

CONTRACT COMPLIANCE: The successful bidder must comply with the City of Ann Arbor's Non-Discrimination (Chapter 112, Section 9:161 of the City Code) before award and at all times during the term of this proposed contract and/or agreement.

ERRORS/OMISSIONS/DISCREPANCIES: Any errors, omissions or discrepancies in the specifications discovered by a prospective contractor and/or service provider shall be brought to the attention of Larry Sanford, Assistant Manager, Water Treatment Plant at (734) 994-2840 as soon after discovery as possible. Further, the contractor and/or service provider shall not be allowed to take advantage of errors, omissions or discrepancies in the specifications.

SPECIFICATIONS: The Liquid Oxygen ("Product") delivered by the successful Provider will meet or exceed the attached specifications. The City of Ann Arbor may reject any Product that does not meet the specifications and no charge shall be made for Product so rejected.

INSURANCE REQUIREMENTS: The successful Provider shall be required to procure and maintain during the life of this Contract, inclusive of any renewal thereof, such insurance policies, including those set forth below, as will protect itself from all claims for bodily injuries, death or property damage which may arise under this Contract; whether the acts were made by the Provider or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

- A. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000 each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

- B. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements including, but not limited to: Products and Completed Operations, Explosion, Collapse and Underground coverage or Pollution. Further, the following minimum limits of liability are required:
- | | |
|-------------|----------------------------------------------------------------------------------------------------|
| \$1,000,000 | Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined. |
| \$2,000,000 | Per Job General Aggregate |
| \$1,000,000 | Personal and Advertising Injury |
- C. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$1,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
- D. Umbrella/Excess Liability Insurance shall be provided to apply excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$5,000,000.

Insurance required under this Contract shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the successful Provider agrees to waive any right of recovery by its insurer against the City.

In the case of all Contracts involving on-site work, the successful provider shall provide to the City before the commencement of any work under this Contract documentation demonstrating it has obtained the above mentioned policies. Documentation must provide and demonstrate an unconditional 30 day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the successful Provider supplies a copy of the endorsements required on the policies. Upon request, the successful Provider shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this Contract, the successful Provider shall deliver proof of renewal and/or new policies to the Administering Department at least ten days prior to the expiration date.

Any insurance provider of successful Provider shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City.

TERMINATION: The City of Ann Arbor reserves the right to terminate any award to the Provider for cause, without any liability, upon thirty (30) days notice from the Public Services Administrator or his/her authorized representative, (see Default above).

The City shall provide notice of such termination by personal service or by first-class mail to the Provider at the address listed in the bid documents. If notice is provided by first-class mail it shall be considered delivered when placed, postage prepaid, in the U. S. Mail. The City shall have the privilege, with or without cause, to cancel and annul this agreement at any time on 30 days notice to the Provider. The City shall provide notice of termination by first-class mail to the Provider at the address listed in the bid documents. If the contract is terminated for reasons other than breach of contract by the Provider, the Provider shall be compensated for services provided prior to the date of the notice of termination. If the contract is terminated for breach of contract by the Provider, the Provider shall be compensated for services provided prior to the date of the notice of termination only to the extent such services comply with the contract requirements.

If notice of termination is given for the failure of the Provider to fulfill the obligations of the contract, including but not limited to: failure to deliver on time or the unauthorized substitution of articles other than those quoted and specified on the contract; failure to deliver specified quantities (repetitive shortages); or failure to comply with the terms and conditions of the City's purchase order, the City, at its option, may provide the Provider with

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

an opportunity to correct the abuse. The Provider may be given up to thirty (30) days to take corrective action. Failure to do so within the specified period may result in termination of the contract, procuring the articles or services from other sources, holding the Provider responsible for any excess cost occasioned thereby or any combination of these remedies, all at the sole discretion of the City of Ann Arbor.

HEALTH AND SAFETY: The City acknowledges that the United States Occupational Health and Safety Administration considers the Product to be hazardous. The City confirms that it has received the Material Safety Data Sheets for the Product from the Provider and agrees that it will comply with applicable requirements to communicate, warn, protect and train its employees who are exposed to the Product hazards. The City is responsible for the suitability and the results of using the Product alone or in combination with other substances in its water treatment processes and procedures, contingent on Provider being responsible for and delivering Product that meets specifications and is not contaminated or otherwise modified by other elements or substances.

REPORTING COMPLIANCE: Provider will comply with all reporting requirements relative to the Product under applicable federal, state and local laws and regulations up to the point a delivery of the Product to the City is completed at the City's location. After completion of delivery, the City will comply with all reporting requirements relative to the Product under applicable federal, state and local laws and regulations.

INDEMNIFICATION: To the fullest extent permitted by law, if there is any injury (including death), loss or damage to a person or property (including employees of either party), each party agrees to indemnify and hold the other party, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, in whole or in part, from any negligent, grossly negligent, reckless and/or intentional wrongful or tortuous acts or omissions by the indemnifying party or its employees and agents occurring in the performance of this agreement. Nothing herein shall be construed as waiving or limiting the governmental immunity of the City, its officers or its employees.

FORCE MAJEURE: Neither party hereto will be liable in damages or otherwise to the other for default or delay in the performance of any of its obligations hereunder due to Acts of God, accident, fire, flood, storm, riot, war, sabotage, explosion, strike, lockout, labor disturbance, national defense requirement, governmental action, law, ordinance, rule or regulation, whether valid or invalid, inability to obtain or curtailment of electricity or other type of energy, raw material, labor, equipment or transportation, failures of normal sources

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

of supply, or any similar or different contingency beyond its reasonable control which would make performance commercially impracticable whether or not contingency is the same type as those enumerated above. If, as a result of a force majeure condition, the Provider incurs increased cost to produce or deliver the Product, the Provider shall have the right to pass along this cost increase to the City of Ann Arbor. The City of Ann Arbor shall have the right to decline to purchase Product as long as such force majeure price increase is in effect. If the City purchases Product from the Provider after having received notice of force majeure price increase(s), the City shall pay its current price for Product plus the force majeure increase(s). In the event a force majeure affects Provider's ability to produce or deliver the Product, Provider will allocate production or deliveries among the requirements of all its customers and Provider's own requirements in a fair and reasonable manner.

PLEASE CHECK: We have read the attached specifications thoroughly?

Yes No

Are all exceptions to the attached specifications properly outlined?

Yes No

INVOICE TERMS: Discount of ___% or \$_____ will be allowed for payment of invoice thirty (30) days from day of delivery and acceptance.

OTHER TERMS: Less than 30 days, E.O.M., Proximo, etc., will not be considered in determining award of contract.

The city of Ann Arbor reserves the right to accept any bid, to reject any bid or all bids, to waive irregularities and/or informalities in any bid, and to make the award in any manner deemed in the best interest of the City.

CITY OF ANN ARBOR STANDARD SPECIFICATIONS FOR LIQUID OXYGEN

This specification pertains to liquid oxygen (O₂, LOX) used as feedstock in the production of ozone for the treatment of municipal water supplies.

SECTION 1: General Information

Sec. 1.1 Definitions

The following definitions shall apply in this specification:

Manufacturer: Any party that produces liquid oxygen as covered by this specification.

Purchaser: Any party that enters into a contract, either written or verbal, to purchase liquid oxygen in accordance with the provisions of this specification.

Vendor: Any party that enters into a contract, either written or verbal, to supply liquid oxygen for purchase in accordance with this specification.

Sec. 1.2 Affidavit of Compliance

The purchaser requires an affidavit from the manufacturer or vendor that the LOX furnished under the purchaser's orders meets or exceeds these specifications.

Sec. 1.3 Rejection

Notice of Nonconformance. If the liquid oxygen does not meet the requirements of this specification, a notice of nonconformance shall be provided by the purchaser to the vendor within 10 working

days of receipt of the shipment at its point of destination. The results of the purchaser's test shall prevail unless the vendor notifies the purchaser within five working days of receipt of the notice of nonconformance that a retest is desired. On receipt of the request for a retest, the purchaser shall forward to the vendor one of the sealed samples taken in accordance to section 3.2 of this standard. In the event that the retest results do not agree with the test results of the purchaser, the other sealed sample shall be forwarded to a referee laboratory agreed upon by both parties for analysis. The results of the referee laboratory's analysis shall be considered final. If the shipment is found to be in compliance with this standard, then the cost of the referee laboratory shall be assumed by the purchaser. If the shipment is found not to meet the specifications of this standard, the cost of the referee laboratory shall be assumed by the vendor.

If the material delivered is found to not meet the requirements of this standard, the responsibility of removal from the point of destination shall fall wholly on the vendor. An exception to this point may be made if a price adjustment is made between the vendor and the purchaser.

SECTION 2: Specifications

Sec. 2.1 Description

Liquid oxygen is a slightly bluish cryogenic liquid. Oxygen gas is colorless, odorless, tasteless and liquifies at -183°C . Liquid oxygen has a density, at -183°C , of 1.14 g/cc.

Sec. 2.2 Physical and Chemical Requirements

Liquid oxygen as supplied under this specification shall be CGA Grade D, Type II, with a minimum 99.5% oxygen. The dew point shall be -82°F .

Sec. 2.3 Impurities

The total hydrocarbon content of the liquid oxygen shall be less than 15 ppm. The LOX provided under this standard shall contain no material, either organic or inorganic, capable of producing deleterious or injurious effects on the health of those consuming water that has been properly treated with ozone prepared from this liquid oxygen. The LOX shall not impart to the water at its rate of feed any contaminants that exceed the limits established by appropriate governing agencies, when the concentration of the impurity imparted by the liquid oxygen is combined with the concentration of that impurity already present in the water to be treated.

SECTION 3: Marking and Shipping

Sec. 3.1 Marking

All shipment containers, cylinders or bulk, shall have markings, tags, labels, or serial numbers as required by the United States Department of Transportation (USDOT).

Sec. 3.2 Sampling

Samples shall be representative of the oxygen supply. Samples shall be obtained by either filling the sample container and delivery container at the same time, on the same manifold and in the same manner or by withdrawing a sample from the supply container through a suitable connection into the sample container (no regulator is to be used between the supply and the sample container but a suitable purge valve is permissible).

SECTION 4: Testing Procedures

All testing shall be done in accordance with ANSI/CGA G-7.1 - 1989. The following is a partial list of chemical and physical characteristics that may be tested for:

- 1. Percent oxygen concentration**
- 2. Water content**
- 3. Total hydrocarbon content**

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

The undersigned agrees that if the bid is accepted by the City of Ann Arbor, a binding contract will be in effect for the delivery of the goods in accordance with the bid.

All envelopes must be marked "WATER TREATMENT CHEMICAL-LIQUID OXYGEN". We cannot be responsible for any bid not marked as stated above.

RETURN BID TO: City Of Ann Arbor
Purchasing Office
P.O. Box 8647
Ann Arbor, Mi 48107-8647

Or

City of Ann Arbor
Purchasing Office
301 E. Huron St.
Ann Arbor, MI 48104

CITY OF ANN ARBOR
SPECIFICATIONS
WATER TREATMENT CHEMICAL-LIQUID OXYGEN

BID NO. ITB-4154
DUE: TUESDAY MAY 3, 2011

COMPANY _____

ADDRESS

CITY _____ STATE _____ ZIP _____

Company's Representative Signature

Printed

Date _____

Title _____

Phone Number _____

Fax Number _____

Federal ID Number