

City of Sacramento

Legislation Text

File #: 2019-00786, **Version:** 1

Title:

Contracts: Chemical Purchases with Chemtrade Chemicals US LLC, Solvay Fluorides, LLC, Thatcher Company of California, Inc., Univar USA Inc., and Olin Chlor Alkali Products and Vinyls

File ID: 2019-00786

Location: Citywide

Recommendation:

Pass a Motion awarding one-year contracts through June 30, 2020 to: 1) Chemtrade Chemicals US LLC for the purchase of aluminum sulfate in an amount not to exceed \$350,000; 2) Solvay Fluorides, LLC for the purchase of hydrofluosilicic acid in an amount not to exceed \$175,000; 3) Thatcher Company of California, Inc. for the purchase of liquid chlorine in an amount not to exceed \$350,000; 4) Univar USA Inc. for the purchase of sodium bisulfite in an amount not to exceed \$100,000; and 5) Olin Chlor Alkali Products and Vinyls for the purchase of sodium hypochlorite in an amount not to exceed \$200,000.

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Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Contract: Chemtrade Chemicals US LLC
- 3-Contract: Solvay Fluorides, LLC
- 4-Contract: Thatcher Company of California, Inc.
- 5-Contract: Univar USA Inc.
- 6-Contract: Olin Chlor Alkali Products and Vinyls

Description/Analysis

Issue Detail: The Department of Utilities (DOU) operates two water treatment plants and various facilities for wastewater treatment. As part of the treatment process, multiple chemicals are used, including sodium hypochlorite, liquid chlorine, aluminum sulfate, sodium bisulfite, and hydrofluosilicic acid. DOU has an ongoing need to maintain sufficient inventory of these chemicals to ensure uninterrupted service to customers. The prices for these contracts have been bid on behalf of DOU by the Bay Area Chemical Consortium (BACC).

Policy Considerations: On December 4, 2018, the City Council suspended the City's standard competitive bidding process for chemical purchases to allow procurement of chemicals at prices obtained through the BACC annual competitive bidding process for a period of up to three years (Resolution No. 2018-0471). BACC is an informal cooperative among approximately 60 water and wastewater agencies working together to purchase chemicals by combining their bid solicitations for various chemicals into one bidding process conducted on behalf of the BACC participating agencies. That process for 2019 is now complete, and the lowest responsible and responsive bidders have been identified. DOU is recommending the award of five one-year contracts for chemicals to the lowest responsible bidders for these chemicals.

Economic Impacts: None

Environmental Considerations: The purchase and use of chemicals is an ongoing activity at the City's water and wastewater plants. The use of these chemicals is regulated by State permit requirements. The Community Development Department, Environmental Services Manager has determined that the proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA). CEQA Guidelines Section 15378(b). The activity is a continuing administrative or maintenance activity, such as the purchase of supplies, and is not subject to CEQA. CEQA Guidelines Section 15060(c)(3).

Sustainability: Chemicals purchased under these contracts comply with Section 8 of the City's Sustainability Master Plan as they facilitate the continued treatment and protection of the City's drinking water.

Commission/Committee Action: Not Applicable

Rationale for Recommendation: The lowest responsible bidders and proposed contract amounts are shown in the following table. In staff's judgment, the prices for these chemicals obtained through the BACC bid process are lower than prices the City would have been able to obtain bidding on its own.

CONTRACTOR	CHEMICAL	CONTRACT AMOUNT
Chemtrade Chemical US LLC	Aluminum Sulfate	\$350,000
Solvay Fluorides, LLC	Hydrofluosilicic Acid	\$175,000
Thatcher Company of California, Inc.	Liquid Chlorine	\$350,000
Univar USA Inc.	Sodium Bisulfite	\$100,000
Olin Chlor Alkali Products and Vinyls	Sodium hypochlorite 12.5%	\$200,000

The not-to-exceed amounts of these contracts are based on DOU's previous experience purchasing chemicals using the BACC bidding process.

Financial Considerations: Sufficient funds are available in the proposed DOU FY 2019/20 Operating Budget to execute the agreements.

There are no General Funds allocated or planned for this project.

Local Business Enterprise (LBE): The City's LBE bid requirements do not apply because the City did not conduct the bidding process.