



# Agenda Report

**MEETING DATE:** Tuesday, April 25, 2023

**TO:** City Council

**FROM:** INTERIM PUBLIC WORKS & UTILITIES DIRECTOR VIDES  
WASTEWATER DIVISION MANAGER SMITH

**THROUGH:** CITY MANAGER MENDEZ

**SUBJECT:** BULK CHEMICAL CONTRACT FOR FERRIC CHLORIDE USED IN  
WASTEWATER TREATMENT FOR FISCAL YEAR 2023-2024

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## **RECOMMENDED ACTION:**

Adopt a resolution approving a contract with Kemira Water Solutions, Inc. in the amount of \$275,000 for ferric chloride used in wastewater treatment for Fiscal Year 2023-2024; and directing the City Manager to execute the contract.

## **BACKGROUND:**

Various chemicals in bulk quantities are used in wastewater treatment processes, and ferric chloride is one such chemical. The contract with the current vendor expires at the end of this fiscal year and a new contract must be established to ensure an uninterrupted supply of this chemical.

## **DISCUSSION:**

Proper wastewater treatment practices protect Watsonville's public health and environment and ensure the City's obligations under its many environmental permits. Various chemicals in bulk quantities are used in wastewater treatment processes, and ferric chloride ("ferric") is one such chemical. Ferric is used to control hydrogen sulfide concentrations in anaerobic digester biogas within allowable limits prescribed by the Monterey Bay Air Resources District. The current contract with Kemira Water Solutions, Inc. ("Kemira") expires at the end of this fiscal year. A new contract must be approved to ensure uninterrupted supply of this chemical.

Section 3-5.400 of the Municipal Code requires purchases of supplies estimated to cost over \$100,000.00 be made pursuant to Article 3 commencing with § 3-5.400 through the formal bid process.

Section 3-5.210 exempts certain purchases from competitive bidding. Subdivision (e) exempts purchases made cooperatively with one (1) or more other units of government through cooperative purchasing programs substantially the same as the City of Watsonville.

Subdivision (f) exempts purchases when in the opinion of the Purchasing Officer the supplies are available from a vendor who has been selected as the lowest bidder within the prior twelve months by another public entity using competitive bidding procedures substantially the same as those used by the City for the acquisition of such equipment or supplies (sometimes called “piggybacking”).

Watsonville is a member of the [Bay Area Chemical Consortium](#) (“BACC”). BACC is an informal cooperative of over sixty public agencies that advertises and opens sealed competitive bids and then prepares bid recommendations. Once bids are opened, participating public agencies enter into their own contracts with the lowest responsive bidder. The purpose of the Consortium is to obtain the best possible price for chemicals through joint (bulk) purchasing.

Bids were issued by BACC on January 26 on PlanetBids, and three bids for the South Bay Region were received on or before the February 23 due date as follows:

- |                                 |                    |
|---------------------------------|--------------------|
| 1. Kemira Water Solutions, Inc. | \$1,415.00/Dry Ton |
| 2. Pencco, Inc.                 | \$1,700.00/Dry Ton |
| 3. Univar Solutions USA Inc.    | no bid             |

After review of the bids, it is recommended to award a contract to Kemira because its bid was the lowest.

**STRATEGIC PLAN:**

This contract is consistent with the Strategic Plan Priority:

3 – Infrastructure & Environment

**FINANCIAL IMPACT:**

Funds for this contract will be available in the Fiscal Year 2023-2024 Wastewater Utility Enterprise budget, account code 0710-530-7551.

**ALTERNATIVE ACTION:**

The City Council could elect to issue its own request for proposals (RFP) for the procurement of ferric chloride. However, the alternative would likely not result in a lower bid.

**ATTACHMENTS AND/OR REFERENCES (If any):**

1. BACC Bid Review
2. BACC Bid Prices
3. BACC Award Letter