



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 SODIUM HYPOCHLORITE
USED IN WASTEWATER TREATMENT FOR FISCAL YEAR 2023-
2024

RECOMMENDED ACTION:

Adopt a resolution approving a contract with HASA, Inc. for the purchase of sodium hypochlorite used in wastewater treatment processes in the amount of \$225,000 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 sodium hypochlorite ("hypochlorite") is one such chemical used to make recycled water. The contract with the current vendor supplying hypochlorite expires at the end of the current fiscal year and a new contract must be established to ensure 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 hypochlorite is one such chemical. Hypochlorite is used to clean the disk filters at the Recycled Water Facility, and to maintain a slight chlorine residual in the treated water delivered to the Pájaro Valley Water Management Agency (PVWMA). The current contract with Univar Solutions USA, Inc. ("Univar") 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 a formal bidding 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. Three bids for the South Bay Region were received on or before the February 23 due date as follows:

- | | |
|-------------------------------|---------------|
| 1. Hasa, Inc. | \$2.88/gallon |
| 2. Olin Corporation | \$3.09/gallon |
| 3. Univar Solutions USA, Inc. | \$3.25/gallon |

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

STRATEGIC PLAN:

This contract is consistent with Strategic Plan Priority:

3 – Infrastructure & Environment

FINANCIAL IMPACT:

Funds for this contract will be available in the Fiscal Year 2023-2024 Wastewater Utility Enterprise, Water Recycling Operations and Maintenance budget, account code 071-532-7551. These expenses are reimbursed by the PVWMA on a quarterly basis.

ALTERNATIVE ACTION:

The City Council could elect to issue its own request for proposals (RFP) for the procurement of sodium hypochlorite. 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