

Agenda Report



MEETING DATE: Tuesday, April 9, 2024

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG
WASTEWATER DIVISION MANAGER SMITH

THROUGH: CITY MANAGER MENDEZ

SUBJECT: BULK CHEMICAL CONTRACT FOR ALUMINUM SULFATE
USED IN WATER RECYCLING FOR FISCAL YEAR 2024-2025

RECOMMENDED ACTION:

Adopt a resolution approving a contract with Chemtrade Chemicals US LLC for the purchase of liquid aluminum sulfate, in an amount not to exceed \$410,000 for Fiscal Year 2024-2025; and directing the City Manager to execute the Contract.

BACKGROUND:

Various chemicals in bulk quantities are used in wastewater treatment processes, and liquid aluminum sulfate ("alum") is one such chemical used to make recycled water. The contract with the current vendor supplying alum 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 alum is one such chemical. Alum is used for tertiary treatment at the Recycled Water Facility. The current contract with Chemtrade Chemicals US LLC ("Chemtrade") expires at the end of this fiscal year. A new contract must be approved to ensure an 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 25 on PlanetBids, and three bids for the South Bay Region were received on or before the February 22 due date as follows:

- | | |
|---|--------------|
| 1. Chemtrade Chemicals US LLC | \$0.8403/gal |
| 2. Thatcher Company of California, Inc. | \$1.1100/gal |
| 3. Univar Solutions USA Inc. | no bid |

After reviewing the bids, it is recommended to award a contract to Chemtrade because its bid was lowest.

STRATEGIC PLAN:

This contract is consistent with the Strategic Plan Priority:

2 – Infrastructure & Environment

FINANCIAL IMPACT:

Funds for this contract will be available in the Fiscal Year 2024-2025 Wastewater Utility Enterprise, Water Recycling Operations and Maintenance budget, account code 0710-532-7551. These expenses are reimbursed by the Pajaro Valley Water Management Agency (PVWMA) on a quarterly basis.

ALTERNATIVE ACTION:

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