



Watsonville
CALIFORNIA

CITY COUNCIL AGENDA REPORT

MEETING DATE: Tuesday, June 24, 2025
TO: CITY COUNCIL
WRITTEN BY: WASTEWATER DIVISION MANAGER TELLEZ
RECOMMENDED BY: PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG
APPROVED BY: TAMARA VIDES, CITY MANAGER
SUBJECT: BULK CHEMICAL CONTRACT FOR FERRIC CHLORIDE USED IN
WASTEWATER TREATMENT FOR FISCAL YEAR 2025-2026

RECOMMENDATION:

Adopt a resolution approving a contract with Pencco, Inc., in the amount of \$275,000 for ferric chloride used in wastewater treatment for Fiscal Year 2025-2026; 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 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 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 BACC is to obtain the best possible price for chemicals through joint (bulk) purchasing.

Bids were issued by BACC on January 24, 2025 on PlanetBids.com, and a single bid for the South Bay Region was received on or before the February 20 due date as follows:

After review of the bids, it is recommended to award a contract to Pencco, Inc. because its bid was the one provided.

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 2025-2026 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):

None.