



Agenda Report

MEETING DATE: Tuesday, June 8, 2021

TO: City Council

FROM: PUBLIC WORKS & UTILITIES DIRECTOR PALMISANO
RYAN SMITH, WASTEWATER DIVISION MANAGER

SUBJECT: BULK CHEMICAL CONTRACT FOR FERRIC CHLORIDE USED IN
WASTEWATER TREATMENT

STATEMENT OF ISSUES:

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 uninterrupted supply of this chemical.

RECOMMENDED ACTION:

Adopt a resolution approving a contract with Thatcher Company of California, Inc. in the amount of \$150,000 for ferric chloride used in wastewater treatment for Fiscal Year 2021-2022.

DISCUSSION:

Proper wastewater treatment practices protect Watsonville's public health and environment, and ensures 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.

Section 3-5.300 of the Municipal Code requires purchases of supplies estimated to cost between \$20,000.00 to \$100,000.00 be made pursuant to Article 3 commencing with § 3-5.300. Section 3-5.310 requires quotations from at least three vendors. Section 3-5.340 requires purchases be awarded to the person submitting the lowest responsive and responsible quotation.

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.

The contract with the current vendor, Kemira Water Solutions, Inc. (“Kemira”) expires at the end of this fiscal year and a new contract must be approved to ensure uninterrupted supply of this chemical.

Bids were issued by BACC on March 18 on PlanetBids, and bids were received on or before the April 15 due date as follows:

- | | |
|---|------------------|
| 1. Thatcher Company of California, Inc. | \$727.05/Dry Ton |
| 2. Kemira Water Solutions, Inc. | \$729.38/Dry Ton |
| 3. Pennco, Inc. | \$950.00/Dry Ton |

After review of the bids, it is recommended to award a contract to Thatcher because its bid was 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 2021-2022 Wastewater Utility Enterprise budget, account code 0710-530-7551.

ALTERNATIVE ACTION:

No feasible alternatives have been identified.

ATTACHMENTS AND/OR REFERENCES (If any):

1. BACC Bidding Legal Notice
2. BACC Bid Review
3. BACC Bid Prices
4. BACC Award Letter