



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 SODIUM HYPOCHLORITE
USED IN WASTEWATER TREATMENT

STATEMENT OF ISSUES:

Various chemicals in bulk quantities are used in wastewater treatment processes, and sodium hypochlorite ("hypochlorite") is one such chemical. 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.

RECOMMENDED ACTION:

Adopt a resolution approving a contract with Univar Solutions USA, Inc. in the amount of \$100,000 for sodium hypochlorite used in wastewater treatment for Fiscal Year 2021-2022.

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. The contract with the current vendor, Olin Corporation, expires at the end of this fiscal year. A new contract must be approved to ensure uninterrupted supply of this chemical.

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.

Bids were issued by BACC on March 18 on [PlanetBids](#). Two bids were received on or before the April 15 due date as follows:

- | | |
|-------------------------------|-----------------|
| 1. Univar Solutions USA, Inc. | \$0.7377/gallon |
| 2. Olin Corporation | \$0.7690/gallon |

After review of the bids, it is recommended to award a contract to Univar Solutions USA, Inc. which was the lower bid.

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, Water Recycling Operations and Maintenance budget, account code 071-532-7551.

ALTERNATIVE ACTION:

The City Council could elect to issue its own request for proposals (RFP) for the procurement of sodium hypochlorite. However, staff followed the Municipal Code and the alternative would likely not result in a lower bid.

ATTACHMENTS AND/OR REFERENCES (If any):

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