



Agenda Report

MEETING DATE: Tuesday, June 28, 2022

TO: City Council

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

SUBJECT: CONTRACT WITH CHEMTRADE CHEMICALS US LLC FOR
ALUMINUM SULFATE USED IN WASTEWATER TREATMENT FOR
FISCAL YEAR 2022-2023

STATEMENT OF ISSUES:

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 for alum expires at the end of this fiscal year and a new contract must be established for next fiscal year to ensure uninterrupted supply of this chemical and continuous production of recycled water.

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 2022-2023; and directing the City Manager Pro Tempore to execute the contract.

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.

Section 3-5.400 of the Municipal Code requires purchases of equipment, supplies, and nonprofessional services estimated to be more than One Hundred Thousand and no/100ths (\$100,000.00) generally must be by written contract with the lowest responsible, responsive bidder pursuant to the procedures prescribed in Article 4 of Title 3 of the Municipal Code.

However, section 3-5.210 exempts certain purchases from the purchasing requirements set forth in the purchasing policy found in Chapter 5 of Title 3. 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, Thatcher Company of California, Inc. (“Thatcher”) 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 January 27 on PlanetBids, and three bids for the South Bay Region were received on or before the February 24 due date as follows:

- | | |
|---|----------------|
| 1. Chemtrade Chemicals US LLC | \$0.8668/gal |
| 2. Thatcher Company of California, Inc. | \$1.1700/gal |
| 3. Univar Solutions USA Inc. | non-responsive |

After review of the bids, staff recommends that the Council award a contract to Chemtrade Chemicals US LLC because its bid was the lowest responsive and responsible bid.

STRATEGIC PLAN:

This contract is consistent with Strategic Plan Priority:

3 – Infrastructure & Environment

FINANCIAL IMPACT:

Funds for this contract are available in the Fiscal Year 2022-2023 Wastewater Utility Enterprise, Water Recycling Operations and Maintenance budget, account code 0710-532-7551.

ALTERNATIVE ACTION:

The City Council could elect to issue its own request for bids for the procurement of alum. However, this piggybacking process is authorized by the City’s Purchasing Policy set forth in the Municipal Code and 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