



Legislation Text

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Report regarding a resolution approving purchase agreements for the furnishing of bulk process chemicals at the Water Quality Control Plant for fiscal year 2019-20; and authorizing the City Manager to execute the necessary agreements. (*Brian Schumacker, Water Quality Control Plant Superintendent*).

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving the purchase agreements for the furnishing of bulk process chemicals for wastewater treatment for fiscal year 2019-20 and authorize the City Manager to execute the necessary agreements.

BACKGROUND/DISCUSSION

Bulk quantities of chemicals are routinely used in a number of different processes to treat wastewater at the South San Francisco-San Bruno Water Quality Control Plant (WQCP). These bulk chemicals include disinfectants used to remove potential pathogens, coagulants used to remove solids, and chemicals used to neutralize chlorine during dechlorination. The City's practice is to procure these chemicals at the beginning of the fiscal year to establish guaranteed competitive prices for the entire fiscal year. Chemicals are delivered as needed to meet treatment demands.

The WQCP is a member of the Bay Area Chemical Consortium (BACC), along with over sixty participating public agencies. The BACC follows a public bid process for the combined purchase of bulk chemicals. Each member agency of the BACC receives a benefit of large quantity purchase pricing by combining the volume of their agency's chemical needs with the needs of the rest of the consortium. Due to the combined bid solicitations for these agencies, each individual agency is able to purchase the chemicals at a lower price than if each agency solicited bids separately. It is difficult to speculate as to the savings an agency receives by ongoing participation in the consortium; however, new members have generally reported a savings of up to 20 percent on chemical purchases after becoming a member of the BACC.

Multiple chemical companies responded to the invitation to bid for the 16 chemicals used by members of the consortium.

After review of the bids, the BACC recommends awarding bulk chemical purchase agreements to the following lowest responsible bidders for the chemicals listed at the prices indicated below:

Lowest Bidder	Item	Unit Cost
Univar USA, Inc.	Sodium Hypochlorite (12.5 percent),	\$0.698/gallon
Univar USA, Inc.	Sodium Bisulfite (25 percent),	\$1.135/gallon

Thatcher Company	Ferric Chloride (43 percent),	\$2.000/gallon
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City staff has reviewed these price quotes and concurs with the BACC recommendation.

The BACC no longer facilitates the bidding process for polymer. Staff successfully negotiating a bulk rate discount for polymer into FY 2019-20 for Polymers WE-527 and WE-983.

Vendor	Item	Unit Cost
Polydyne	Polymer WE-984	\$10.880/gallon
Polydyne	Polymer WE-527	\$10.710/gallon

RELATIONSHIP TO THE STRATEGIC PLAN

The Water Quality Control Plant (WQCP) Division promotes public health and environmental stewardship. Continuing to fund bulk chemical purchases positively effects the quality of life for South San Francisco residents by protecting public health and safety.

FISCAL IMPACT

The cost for the purchase of bulk chemicals is included in the WQCP's annual operating budget. Specific quantities of bulk chemicals vary depending upon the occurrence of winter storms. Actual chemical use fluctuates. Chemical use is based on demand. The anticipated total cost for bulk chemicals for FY 2019-20 is \$1,237,753.30 (please see Attachment A for cost breakdown). These estimated amounts are calculated based on single year highest use.

CONCLUSION

The WQCP routinely utilizes bulk quantities of chemicals for the treatment of wastewater. The WQCP is a member of the BACC and participates in a public bid for the purchase of the three chemicals necessary for the treatment of wastewater. Following the BACC's recommendations, the WQCP has drafted purchase agreements with the lowest responsible bidders to procure the chemicals for FY 2019-20. Approval of the attached resolution will allow for execution of the agreements and amendment with continued reliable operation of the WQCP.

Staff recommends that the City Council adopt a resolution approving the purchase agreements for the furnishing of bulk process chemicals for wastewater treatment for fiscal year 2019-20 and authorize the City Manager to execute the necessary agreements.

Attachments:

1. Attachment A - Cost Breakdown for Bulk Chemicals for FY 2019-2020