

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: MIKE PRINZ, DEPUTY DIRECTOR REGIONAL OPERATIONS,
WATER DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
SUBJECT: SECOND AMENDMENT TO BLANKET PURCHASE ORDER
162312 - ONE YEAR EXTENSION FOR LIQUID ALUMINUM
SULFATE SUPPLY

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, approve an amendment to Blanket Purchase Order 162312 for liquid aluminum sulfate supply with Thatcher Company of California, Inc., Downey, California, to extend the term by one year, increase the unit price by 52% and increase compensation in the amount of \$184,359.38, for a total amount not to exceed \$421,119.19.

EXECUTIVE SUMMARY

The Water Department continues to require supply of liquid aluminum sulfate (liquid alum) for the Laguna Wastewater Treatment Plant. The current one-year Blanket Purchase Order expires on July 31, 2022, but provides the option of three (3) remaining one-year extensions.

BACKGROUND

Liquid alum is a flocculant used at the Laguna Wastewater Treatment Plant. Liquid alum causes suspended particles to coagulate for easy removal from wastewater. Deliveries will be in bulk form by tanker truck.

On July 2, 2020, the Board of Public Utilities approved an award for Request for Quotes (RFQ) 20-63 and issuance of Blanket Purchase Order 162312 for one (1) year, with four (4) one-year extension options to Thatcher Company of California, Inc.

SECOND AMENDMENT TO BPO 162312 – ONE YEAR EXTENSION FOR LIQUID
ALUMINUM SULFATE SUPPLY
PAGE 2 OF 3

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On July 2, 2020, the Board approved award of RFQ 20-63 and issuance of Blanket Purchase Order 162312 in the amount not to exceed \$115,492.31.

On July 15, 2021, the Board approved a one-year extension of Blanket Purchase Order 162312 in the amount not to exceed \$121,267.50.

ANALYSIS

On May 23, 2022, Thatcher Company of California, Inc. submitted a one-year extension proposal with a 52% increase in unit price. The increase in unit price is due, in part, to a 55% increase in diesel fuel for transportation and an 18% increase in fleet driver compensation. The shutdown of six sulfur refineries over the last two years, including the refinery in Martinez, CA which impacts local sulfur availability, and an unstable futures market for alumina trihydrate (ATH) and sulfuric acid, two primary raw material components in the manufacturing of liquid alum have also driven price increases. Based on the information provided, staff deems it in the City's best interest to extend the Blanket Purchase Order term for a one-year period. Thatcher Company of California, Inc. continues to provide satisfactory delivery services.

Under the City's Contract/Purchase City Code 3-08-110(A) Award Authority, this amendment requires approval by the Board of Public Utilities.

FISCAL IMPACT

Funding for this expense is included in the Water Department Fiscal Year 2022-23 adopted budget. As a regular operating expenditure, the services as described are expected to be included in subsequent years' budget proposals when presented to the City Council. .

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

SECOND AMENDMENT TO BPO 162312 – ONE YEAR EXTENSION FOR LIQUID
ALUMINUM SULFATE SUPPLY
PAGE 3 OF 3

ATTACHMENTS

- Resolution/ExhibitB-2 Compensation Schedule

CONTACT

Mike Prinz, Deputy Director Regional Operations, Water Department,
mprinz@srcity.org, 707-543-3876

Christian Williams, Wastewater Treatment Superintendent, Water Department,
cwilliams@srcity.org, 707-543-3417

Brandalyn Tramel, Purchasing Agent, Finance Department, btramel@srcity.org, 707-543-3706

Jennifer Myles, Senior Buyer, Finance Department, jmyles@srcity.org, 707-543-3709