

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: JOE SCHWALL, DEPUTY DIRECTOR REGIONAL OPERATIONS,
WATER DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT
FINANCE DEPARTMENT
SUBJECT: THIRD AMENDMENT – GENERAL SERVICES AGREEMENT
F001422 OLIN CORPORATION DBA OLIN CHLOR ALKALI
PRODUCTS
AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board of Public Utilities, by resolution, approve the Third Amendment to General Service Agreement F001422 for a one-year extension with a 3% increase in unit price and compensation for the supply and delivery of sodium hypochlorite, as required by the Laguna Treatment Plant and other Water Department facilities, with Olin Corporation dba Olin Chlor Alkali Products, Tracy California, in the amount of \$110,313, for a cumulative total not to exceed \$409,413.

EXECUTIVE SUMMARY

On May 19, 2017, the City Manager awarded a one-year term General Services Agreement (GSA) F001422 with four (1) one-year extension options for the supply of sodium hypochlorite to Olin Corporation dba Olin Chlor Alkali Products. The contract began on August 1, 2017 and is due to expire on July 31, 2020.

BACKGROUND

Sodium hypochlorite is used at the Laguna Wastewater Treatment Plant, West College Wet Weather Facility, 2260 Sonoma Avenue Pump Facility, and Rohnert Park Pump Station for algae control and as a disinfecting agent for recycled water pursuant to the requirements of the North Coast Regional Water Quality Control Board. Deliveries are provided in bulk form and delivered by truck to each location on an as-needed basis.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

First Amendment, extension request dated June 7, 2018.

Second Amendment, extension request dated July 18, 2019.

ANALYSIS

Staff received a one-year extension proposal with a 3% increase in unit price. Factors that affect the increase in cost include transportation and fuel cost increases and expected increases this year in raw materials such as caustic soda and chlorine for production of sodium hypochlorite.

Based on the market research and the ECU North America published announcements this year for raw material increases, and transportation and fuel cost increases, staff has determined it is in the City's best interest to exercise the one-year extension through July 31, 2021. Under the original solicitation RFQ 17-21, Olin Corporation was 5% lower than the second bid received in 2017. This extension proposal submitted by Olin Corporation dba Olin Chlor Alkali Products is considered fair and reasonable, and going back out to bid would more than likely result in similar increases to the contract unit price.

The City and Olin Corporation dba Olin Chlor Alkali Products entered into an agreement on May 19, 2017 awarded by City Manager. See contract activity chart below:

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	May 19, 2017	One Year with four (4) one-year extension options	\$90,000	CM
First Amendment	June 7, 2018	One-year extension with 13.2% increase in unit price, and increase in compensation	\$102,000	BPU
Second Amendment	July 18, 2019	One-year extension with 5% increase in unit price, and increase in compensation	\$107,100	BPU

Third Amendment	Pending	One-year extension with 3% increase in unit price, and increase in compensation	\$110,313	BPU
Cumulative Contract Value			\$409,413	

With approval of the Third Amendment, the cumulative value of Agreement F001422 will be \$409,413. Under the City’s Code 3-08.110, the Third Amendment of GSA F001422 requires approval by the Board of Public Utilities.

FISCAL IMPACT

Funds required for this operational expense are included in the Water Department Fiscal Year 2019-20 adopted budget account 130802 of the Water Department and will be included in subsequent budgets to be approved by 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 Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

ATTACHMENT

- Attachment 1 – Third Amendment to General Services Agreement Number F001422 with Olin Corporation DBA Olin Chlor Alkali Products

CONTACT

Joe Schwall, Deputy Director Regional Operations, Water Department, jschwall@srcity.org, 707-543-3358
 Brian Bokkin, Wastewater Treatment Superintendent, Water Department, bbokkin@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