

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: SAMONE CHRISMAN, BUYER, FINANCE DEPARTMENT
SUBJECT: APPROVAL - FOURTH AMENDMENT TO BLANKET PURCHASE
ORDER 166906 FOR ONE YEAR EXTENSION AND TO
INCREASE COMPENSATION FOR FERRIC CHLORIDE
DELIVERY

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water and the Finance Department that the Board of Public Utilities, by motion, approve the Fourth Amendment to Blanket Purchase Order (BPO) 166906 with Pencco, Inc., Sealy, Texas, for ferric chloride delivery to extend the agreement for one year with no increase in unit price and to increase compensation in the amount of \$300,000.00 for a not-to-exceed cumulative value of \$1,972,082.99.

EXECUTIVE SUMMARY

Ferric chloride is a needed chemical used in the wastewater treatment process. This motion would approve the Fourth Amendment to BPO 166906 for ferric chloride delivery for a one-year extension with no increase in unit price and increase compensation in the amount of \$300,000. The BPO term expires on May 31, 2026.

BACKGROUND

Ferric chloride (ferric) is fed into the Laguna Treatment Plant's (LTP) influent flow in proportion to the volume of sewage received each day. The ferric binds with solids in the primary treatment process and is transported with the solids to the digesters, where it controls hydrogen sulfide production in digester gas. Hydrogen sulfide must be kept to low levels in digester gas to prevent corrosion in the combined heat and power engines which utilize digester gas to produce heat and power for use at LTP.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On May 24, 2022, the Assistant City Manager approved a bid award of Invitation for Bids (IFB) 22-16 and issuance of a BPO for a one-year period, with four (4) one-year

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renewal options for the delivery of ferric chloride with Pencco, Inc., in the amount of \$100,000.

On March 16, 2023, the Board of Public Utilities approved the First Amendment to add funds in the amount of \$65,000, extend the term for one year, and increase compensation in the amount of \$594,667.83, resulting in a total increase of \$659,667.83 and an amended not-to-exceed amount of \$759,667.83.

On June 20, 2024, the Board of Public Utilities approved the Second Amendment to extend the term for one year and increase compensation in the amount of \$612,415.16, resulting in an amended not-to-exceed amount of \$1,372,082.99.

On May 15, 2025, the Board of Public Utilities approved the Third Amendment to extend the term for one year and increase compensation in the amount of \$300,000.00 resulting in an amended not-to-exceed amount of \$1,672,082.99.

ANALYSIS

Pencco, Inc. has submitted a one-year extension proposal with no increase in unit price.

Staff recommend extending this BPO to support the City's ongoing needs. This represents the final extension option. Additional funds are being added to the BPO to ensure it remains fully funded through the end of the contract term. Purchasing will issue a new solicitation prior to next year's expiration to establish a replacement BPO.

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

Funds for this expense are appropriated in GL key 130802. As a regular operating expenditure, the services, as described, will continue to be budgeted for in future years. Approval of this action does not have an impact on the General Fund.

ENVIRONMENTAL IMPACT

The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities). The action involves the continued procurement and delivery of ferric chloride necessary to support ongoing operations and maintenance of the Laguna Treatment Plant, an existing public facility. The proposed action does not involve expansion of use or capacity and would not result in any physical changes to the environment.

In the alternative, the proposed action is not a "project" pursuant to CEQA Guidelines Section 15378, as it involves administrative and fiscal activities that will not result in a

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direct or reasonably foreseeable indirect physical change in the environment.
Additionally, the action is exempt pursuant to CEQA Guidelines Section 15061(b)(3), as
it can be seen with certainty that there is no possibility that the activity may have a
significant effect on the environment

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

Not applicable.

PRESENTER

Anthony Wilson, Acting Wastewater Treatment Superintendent