

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES  
FROM: ALAN ALTON, ACTING CHIEF FINANCIAL OFFICER  
FINANCE DEPARTMENT  
BRANDALYN TRAMEL, PURCHASING AGENT  
FINANCE DEPARTMENT  
SUBJECT: BID AWARD – GENERAL SERVICES AGREEMENT F001686  
FOR LAGUNA TREATMENT PLANT FERRIC CHLORIDE  
SUPPLY AND DELIVERY

AGENDA ACTION: MOTION

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RECOMMENDATION

It is recommended by the Finance and Water Departments that the City of Santa Rosa approve a one-year General Service Agreement F001686 with four (4) one-year renewal options for the supply and delivery of ferric chloride as required by the Laguna Treatment Plant to Thatcher Company of California, Inc., Downey, California, for the total amount not to exceed of \$237,617.19.

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EXECUTIVE SUMMARY

On May 19, 2016, the Board of Public Utilities, by motion, awarded a two-year term Blanket Purchase Order (BPO) with three one-year extension options for the supply of ferric chloride to Thatcher Company of California, Inc. Purchasing elected to rebid under Invitation for Bid (IFB) 18-40 rather than exercise the extension option due to the volatility of the market in order to ensure competitive pricing. The current BPO expires May 18, 2018.

BACKGROUND

Ferric chloride is a chemical used at the Laguna Wastewater Treatment Plant to control the amount of hydrogen sulfide present in sewers and gases produced by the treatment plant anaerobic digesters. The digester gases are utilized to fuel the combined heat and power (CHP) engines at the plant. This treatment process reduces exhaust emissions produced by the engines. Ferric chloride is fed into the plant's influent flow in proportion to the volume of sewage received each day. From there, the ferric binds with solids and transported to the digesters where it controls hydrogen sulfide production in the digester

gas. Hydrogen sulfide must be kept to low levels to prevent corrosion in the engines and to meet air permit requirements.

Staff requested a proposal in order to exercise a one-year extension option from the current vendor (Thatcher), which resulted in a 40% increase request in contract unit price. Staff determined that is was in the City's best interest to rebid ferric chloride supply and delivery to confirm volatility of the market claimed by the current provider.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

N/A

ANALYSIS

Of the seven bidders on the City's bid list for Ferric Chloride, three bids were received and considered responsive and responsible as listed below.

<b>Bidder</b>	<b>Unit Price</b>	<b>Total Bid Amount</b>
<b>Thatcher Company of California, Inc. Salt Lake City, UT</b>	<b>\$625 dry ton plus tax, includes delivery</b>	<b>\$237,617.19</b>
Kemira Water Solutions, Lawrence, Kansas	\$690.00/dry ton plus tax, includes delivery	\$262,329.38
California Water Technology, Detroit, Michigan	\$730.00/dry ton plus tax, included delivery	\$277,536.87

The unit price identified under this solicitation resulted in the same 40% unit price increase as the contract extension request response from our current contractor (Thatcher). The solicitation process verifies the market increase imposed on all vendors who supply this product. As a result of the IFB 18-40 competitive process, Purchasing has determined Thatcher Company of California, Inc. as the lowest responsive and responsible bid, and recommendation for award.

Under the City's Contract/Purchase Order Modification Policy III-9, award of General Services Agreement F001686 requires approval by the Board of Public Utilities.

## FISCAL IMPACT

Funds required for this operational expense are included in the Fiscal Year 2017-18 adopted budget of the Water Department, and will be included in subsequent budgets to be approved by the City Council. There is no fiscal impact to the General Fund.

## ENVIRONMENTAL IMPACT

Not Applicable. 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

## CONTACT

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## ATTACHMENT

- General Services Agreement with Thatcher Company of California, Inc. Agreement Number F001686
- Exhibit A
- Exhibit B
- Attachment 1