

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: ALAN ALTON, ACTING CHIEF FINANCIAL OFFICER, FINANCE
DEPARTMENT
KIMBERLY ZUNINO, DEPUTY DIRECTOR, WATER
DEPARTMENT
SUBJECT: GENERAL SERVICE AGREEMENT F001422 - FIRST
AMENDMENT – SODIUM HYPOCHLORITE SUPPLY AND
DELIVERY

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance and Water Departments that the City of Santa Rosa Board of Public Utilities, by resolution, approve the First Amendment to General Services Agreement (GSA) F001422 for a one-year contract extension with a 13.2% increase in unit price for sodium hypochlorite, delivered to various Water Department locations, to Olin Corporation dba Olin Chlor Alkali Products, Tracy, California in an amount not to exceed \$102,000, for a total agreement amount not to exceed \$192,000.

EXECUTIVE SUMMARY

On June 6, 2017, the City Manager approved GSA F001422 for a one-year term with four one-year extension options in the amount of \$90,000. This agreement provides supply and delivery of sodium hypochlorite to various Water Department locations. The current contract is due to expire on July 31, 2018.

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 reclaimed water pursuant to the requirements of the State Water Quality Control Board. Deliveries are provided in bulk form and delivered by truck to each location on an as-needed basis.

The current contract for services with Olin Corporation dba Olin Chlor Alkali Products has been provided satisfactorily. This is the first request for a contract extension.

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PRIOR BOARD OF PUBLIC UTILITIES REVIEW

N/A

ANALYSIS

On April 20, 2018, Olin Corporation dba Olin Chlor Alkali Products submitted a one-year extension offer with a 13.2% increase to contract unit price.

According to the Producer Price Index (PPI) for the period of June 2017 through March 2018 for raw materials used to produce sodium hypochlorite, Caustic Soda (WPU061303024) experienced an increase of 29%, and Chlorine (WPU061303) a 13% increase. The U.S. Energy Information Administration (EIA) for the period of October 2017 to March 2018 confirms a 15% increase in diesel fuel and transportation costs. Chemical supply market futures show ongoing volatility in the market for raw materials that will continue through 2019.

Based on the market research and analysis provided, staff determined it is in the City's best interest to exercise the one-year extension, locking in unit pricing through July 31, 2019. The proposal submitted by Olin Corporation dba Olin Chlor Alkali Products is considered fair and reasonable, and that going back out to bid would result in similar increases to the contract unit price.

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	June 6, 2017	1-Yr Contract	\$90,000	City Manager
First Amendment	Pending	One Year Extension with 13.2% increase	\$102,000	Board of Public Utilities
Cumulative Contract Value			\$192,000	

FISCAL IMPACT

Funds required for this operational expense have been appropriated in Fiscal Year 2017-18 adopted budget of the Water Department and will be included in future budget proposals presented to council as a regular operating expense.

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,

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pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

NOTIFICATION

ATTACHMENTS

- Resolution
- Attachment 1 – First Amendment

CONTACT

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