

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: TRACY VERA, BUYER, FINANCE DEPARTMENT
SUBJECT: APPROVAL – THIRD AMENDMENT TO BLANKET PURCHASE
ORDER 175255 FOR LIQUID ALUM

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 Third Amendment to Blanket Purchase Order (BPO) 175255 with Chemtrade Chemicals Corporation, dba Chemtrade Chemicals US LLC (Chemtrade), to extend the term by one year and add compensation in the amount of \$175,000, for a total cumulative BPO amount not to exceed \$404,275.

EXECUTIVE SUMMARY

The Third Amendment to BPO 175255 will extend the term by one year and add compensation in the amount of \$175,000 for liquid aluminum sulfate (liquid alum) for the Laguna Wastewater Treatment Plant (LTP). The current term expires on August 11, 2026.

BACKGROUND

Santa Rosa Water uses liquid alum as a flocculant at LTP. Liquid alum causes biosolid particles to coagulate, facilitating their removal from wastewater. Deliveries of liquid alum come in bulk form by tanker truck.

On August 7, 2025, the Board of Public Utilities approved a bid award and issuance of a BPO for one year with four one-year extension options in the amount of \$154,275.

On May 4, 2026, the Purchasing Agent approved the First Amendment to increase compensation in the amount of \$25,000.

On June 11, 2026, the City Manager approved the Second Amendment to increase compensation in the amount of \$50,000. This amendment was necessary due to unanticipated consumption of alum to address an anomalous process condition in the secondary treatment train.

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An amendment is necessary to accommodate price increases and operational requirements for the next year.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On August 7, 2025, the Board of Public Utilities approved a bid award and issuance of a BPO for one year with four one-year extension options in the amount of \$154,275.

ANALYSIS

Chemtrade has provided the City with a one-year extension proposal that reflects a 17.25% increase in unit cost. Chemtrade attributes this rate increase to rising costs of aluminum trihydrate, sulfuric acid, and freight.

The Producer Price Index for sulfuric acid (Series ID PCU3251803251809) increased by 14.76% from June 2025 to May 2026. The U.S. Energy Information Administration's (EIA) for Weekly California No. 2 Diesel Retail Prices also reflects a substantial increase in fuel costs between December 2025 and May 2026.

The EIA for Weekly Retail Gasoline and Diesel Prices in California shows a 49.15% increase within the 6-month period of December 2025 to May 2026.

Based on Chemtrade's extension proposal, the relevant commodity and transportation cost information, and the City's anticipated operational needs, staff determined that the requested price increase is fair and reasonable and that conducting a new competitive solicitation would not be in the City's best interest at this time.

FISCAL IMPACT

Funding for this expense is included in the Water Department Fiscal Year 2026-27 budget. As a regular operating expenditure, the goods, as described, are expected to be included in subsequent years' budget proposals when presented to the City Council.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because approving an amendment for the continued purchase and delivery of liquid alum for ongoing operations at the existing Laguna Treatment Plant does not have the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment. The proposed action is also categorically exempt pursuant to CEQA Guidelines Section 15301(b) because it provides for the continued purchase and delivery of liquid alum used in the operation of an existing publicly owned wastewater

treatment facility and would not change the nature or degree of the facility's existing use, increase its treatment capacity, or otherwise expand the existing use.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

Not applicable.

PRESENTER

Tony Wilson, Wastewater Treatment Superintendent