

CITY OF YUBA CITY
STAFF REPORT

Date: June 21, 2022
To: Honorable Mayor & Members of the City Council
From: Finance/IT Department
Presentation By: Spencer Morrison, Finance Director

Summary

Subject: FY 22-23 Chemical Bid Award BACC and Supplemental Budget Appropriation

Recommendation: A. Adopt a Resolution to award the bulk chemical contracts for City facilities per the results of the Bay Area Chemical Consortium Fiscal Year 22/23 formal bid for the period of July 1, 2022 through June 30, 2023, with the finding that it is in the best interest of the City

B. Authorize the Finance Director to record a supplemental budget appropriation to account 7120-63705 in the amount of \$30,000 for the Fiscal Year 22/23 due to an increase in the price of anthracite for the water treatment process

Fiscal Impact: \$677,000 - 7120 (Water Treatment Plant), 8120 (Wastewater Treatment Facility), and 5130 (Gauche Aquatic Park) operating accounts listed below. The actual cost will vary based upon usage.

\$30,000 - Requested supplemental budget appropriation to adequately fund the WTP account 7120-63705 for the purchase of anthracite throughout the Fiscal Year 22/23.

Purpose:

To cost-effectively provide the essential chemicals for the water and wastewater treatment processes and the Gauche Aquatic Park (GAP).

Council's Strategic Goal:

This item addresses the City Council's Strategic Goal of fiscal responsibility.

Background:

The treatment processes at the City's Water Treatment Plant (WTP), Wastewater Treatment Facility (WWTF), and Gauche Aquatic Park (GAP) require a number of chemicals purchased in bulk. In order to provide the most cost savings and purchasing efficiencies, the City has primarily utilized two avenues for obtaining annual contracts for chemical supply and delivery. These options are a City-run formal bid and the Bay Area Chemical Consortium (BACC) annual bid.

The City's last formal bid for chemicals, FB 19-08, was approved by the City Council on June 4, 2019, including extensions. The City will be executing its third and final round of extensions with

the vendors holding the current agreements associated with FB 19-08.

Analysis:

BACC Fiscal Year 22/23 Bid:

In 2016, the City joined the Bay Area Chemical Consortium for the purchase of chemicals for the WTP and WWTF. The BACC is a group of 61 municipalities and water agencies that have been working together for several years to consolidate all chemical purchases into one formal bid to receive the best possible prices for all agencies. Dublin San Ramon Services District compiled the bid specifications with the other consortium agencies reviewing the specifications for accuracy. The formal bid specifications were sent to multiple vendors for each type of chemical, for a total of approximately 50 different vendors.

The recommended awardees by category through the BACC bid are as follows:

<u>Chemical & Vendor</u>	<u>Price</u>
Aluminum Sulfate Chemtrade Chemicals US LLC Parsippany, NJ	\$0.8668/gallon + tax
Citric Acid Northstar Chemical Sherwood, OR	\$21.30/gallon + tax
Hydrofluosilicic Acid Pencoco, Inc. San Felipe, TX	\$2.39/gallon + tax
Liquid Chlorine Thatcher Company of CA, Inc. Salt Lake City, UT	\$1,783/ton + tax
Sodium Bisulfite Univar Solutions USA Kent, WA	\$1.995/gallon + tax
Sodium Hydroxide Univar Solutions USA Kent, WA	\$967.58/dry ton + tax
Sodium Hypochlorite Univar Solutions USA Kent, WA	\$1.5166/gallon + tax

Formal Bid 19-08:

The City issued a formal bid on April 4, 2019 and the bid award was approved on June 4, 2019. The agreements allow for up to three (3) one-year extensions. With the finding that it is in the best interest of the City, Public Works and Finance staff have elected to use the third and final contract extension on the current agreements with Carbon Activated Corporation, Lhoist North America, and Matheson Tri-Gas.

Supplemental Budget Appropriation:

The City recently received updated quotes for the purchase of anthracite, a chemical used in the water treatment process, and noted a price increase per unit. Due to the increase in price, a supplemental budget appropriation of \$30,000 is needed to properly fund account 7120-63705 for the Fiscal Year 22/23. The Water Treatment Plant received the updated pricing when the budget process was nearly complete. Therefore, staff were unable to include the requested funds in the Water Treatment Plant proposed budget.

Fiscal Impact:

Funding for the BACC bulk chemical purchases is budgeted annually in the Water, Wastewater, and GAP operating budgets. The accounts to be used for these purchases are as follows:

<u>Facility</u>	<u>Account Title</u>	<u>Estimated Amount</u>
WTP	Aluminum Sulfate	\$150,000
WTP	Citric Acid	\$ 20,000
WTP	Hydrofluosilicic Acid	\$ 55,000
WTP	Liquid Chlorine	\$100,000
WWTF	Liquid Chlorine	\$195,000
WWTF	Sodium Bisulfite	\$110,000
WWTF	Sodium Hydroxide	\$ 10,000
GAP	Sodium Hypochlorite	\$ 37,000

The total for the fiscal year will vary from \$677,000 as chemical needs are variable during the treatment process and usage can only be estimated.

A supplemental budget appropriation in the amount of \$30,000 is needed to adequately fund the WTP account 7120-63705 for the purchase of anthracite throughout the Fiscal Year 22/23.

Alternatives:

1. Reject all bids and direct staff to re-bid all chemicals for the Fiscal Year 22/23. This will likely result in delayed procurement of essential chemicals for the WTP and WWTF and is unlikely to provide any cost savings for the City. Negotiation in bulk via the BACC helps to secure lower rates from chemical providers.
2. Deny the requested supplemental budget appropriation to account 7120-63705 in the amount of \$30,000 for the Fiscal Year 22/23 for anthracite.

Recommendation:

- A. Adopt a resolution to award bulk chemical contracts for City facilities per the results of the Bay Area

Chemical Consortium Fiscal Year 22/23 formal bid for the period of July 1, 2022 through June 30, 2023, with the finding that it is in the best interest of the City.

B. Authorize the Finance Director to record a supplemental budget appropriation to WTP account 7120-63705 in the amount of \$30,000 for the Fiscal year 22/23 due to an increase in the price of anthracite for the water treatment process.

Attachments:

1. Resolution
2. BACC Bid Results

Prepared By:
Kevin Rivera
Accountant I

Submitted By:
Diana Langley
City Manager

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AWARDING BULK CHEMICAL PURCHASE CONTRACTS TO BAY
AREA CHEMICAL CONSORTIUM LOW BIDDERS, AUTHORIZING THE
CITY MANAGER TO EXECUTE SAID CONTRACTS, AND AUTHORIZE
THE FINANCE DIRECTOR TO RECORD A SUPPLEMENTAL BUDGET
APPROPRIATION**

WHEREAS, the City of Yuba City joined the Bay Area Chemical Consortium (BACC) in order to acquire bids for seven (7) of the City of Yuba City's Fiscal Year 22/23 chemical procurement needs; and

WHEREAS, in response to the BACC's advertisement, the City received the bids for BACC Fiscal Year 22/23 in the total bid amounts listed in the Attachment; and

WHEREAS, the City Public Works and Finance Departments have reviewed the bids, and examined the BACC recommended vendors and their bid responses, found them to be both the lowest qualified responsive and responsible bidder as listed below:

BACC Aluminum Sulfate
Chemtrade Chemicals US LLC \$0.8668 /gallon + tax
Parsippany, NJ

BACC Citric Acid
Northstar Chemical \$21.30 /gallon + tax
Sherwood, OR

BACC Hydrofluosilicic Acid
Pencco, Inc. \$2.39 / gallon + tax
San Felipe, TX

BACC Liquid Chlorine
Thatcher Company of CA, Inc. \$1,783 / ton + tax
Salt Lake City, UT

BACC Sodium Bisulfite
Univar Solutions USA \$1.995 /gallon + tax
Kent, WA

BACC Sodium Hydroxide
Univar Solutions USA \$967.58 / dry ton + tax
Kent, WA

BACC Sodium Hypochlorite
Univar Solutions USA \$1.5166 /gallon + tax
Kent, WA

, and has recommended them for award of these contracts; and

WHEREAS, per Section 2-16 of the BACC method of award requirements, the lowest bidder is the single bid that results in the lowest overall cost to the participating agencies as a group, not the lowest cost for the individual region; and

WHEREAS, while Univar Solutions' citric acid bid was the lower bid for the required Yuba City area, it was not the overall lowest responsive bid per the BACC award requirements; and

WHEREAS, the City accepts the recommendations provided by the BACC in order to create and maintain a fair and competitive bidding environment; and

WHEREAS, the City desires to award the bids to the above low bidders and enter into agreements with said vendors to provide bulk chemicals to the City's Water Treatment Plant, Wastewater Treatment Facility, and Gauche Aquatic Park throughout the Fiscal Year 22/23; and

WHEREAS, the City desires to authorize the Finance Director to record a supplemental budget appropriation to account 7120-63705 in the amount of \$30,000 for the Fiscal Year 22/23 due to an increase in price of anthracite for the water treatment process.

NOW, THEREFORE, be it resolved by the City Council of Yuba City as follows:

1. The City Council of the City of Yuba City does hereby accept the bids received by the Bay Area Chemical Consortium as noted in the Attachment, identifies the lowest responsive and responsible bidders as noted above, and awards bulk chemical purchase contracts for City facilities per the results of the Bay Area Chemical Consortium Fiscal Year 22/23 formal bid for the period of July 1, 2022 through June 30, 2023 as follows:

BACC Aluminum Sulfate Chemtrade Chemicals US LLC Parsippany, NJ	\$0.8668 /gallon + tax
BACC Citric Acid Northstar Chemical Sherwood, OR	\$21.30 /gallon + tax
BACC Hydrofluosilicic Acid Pencco, Inc. San Felipe, TX	\$2.39 /gallon + tax
BACC Liquid Chlorine Thatcher Company of CA, Inc. Salt Lake City, UT	\$1,783 /ton + tax
BACC Sodium Bisulfite Univar Solutions USA Kent, WA	\$1.995 /gallon + tax

BACC Sodium Hydroxide
Univar Solutions USA \$967.58 /dry ton + tax
Kent, WA

BACC Sodium Hypochlorite
Univar Solutions USA \$1.5166 /gallon + tax
Kent, WA

The City Manager is authorized to enter into agreements on behalf of the City of Yuba City for the same, subject to review as to legal form by the City Attorney.

2. The City Council of the City of Yuba City does hereby authorize the Finance Director to record a supplemental budget appropriation to account 7120-63705 in the amount of \$30,000 for the Fiscal Year 22/23.
3. The City Council finds that the award of each of these bids and the authorized supplemental budget appropriation is in the best interest of the City.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 21st day of June 2022.

AYES:

NOES:

ABSENT:

Dave Shaw, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT G



BACC Chemical Bid Results

	Aluminum Sulfate 44-49%	Citric Acid 48%- 52%	Hydrofluosilicic Acid (Fluoride) 23%-24% *	Liquid Chlorine	Sodium Bisulfite 40%	Sodium Hydroxide 25%	Sodium Hypochlorite 12.5%
Brenntag Pacific, Inc.						1,020.00	
Chemtrade Chemicals	0.8668						
Chemurgic							
DuBois Chemicals							
Hasa, Inc.							5.00
Northstar Chemical		21.3					
Olin Corp						1,043.00	1.549
Pencco			2.39				
Thatcher Company	1.09		3.26	1,783.00			
TR International			No Bid				
Univar Solutions	No Bid	12.00	No Bid	No Bid	1.995	967.58/dry ton	1.5166
USALCO LLC							
Location	WTP	WTP	WTP	WTP & WWTF	WWTF	WWTF	GAP
Fiscal Year 22/23 Estimate	\$ 150,000.00	\$ 20,000.00	\$ 55,000.00	\$ 295,000.00	\$ 110,000.00	\$ 10,000.00	\$ 37,000.00