



Legislation Details (With Text)

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Title: Actions pertaining to the purchase of bulk sodium hydroxide:
1. ***RESOLUTION - Declaring an urgent necessity for the preservation of life, health, property; and authorizing the Purchasing Manager of the Finance Department or designee to continue processing invoices for the purchase of bulk sodium hydroxide in the interim while a new requirements contract is established (Requires five affirmative votes) (Subject to Mayor's veto)
2. Approve an interim contract with Univar USA Inc., in an amount not to exceed \$1,037,000 for the purchase and delivery of bulk sodium hydroxide. (Bid File 9429)

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Attachment 1 - Resolution.pdf, 2. Attachment 2 - Sample Contract.pdf

Date	Ver.	Action By	Action	Result
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REPORT TO THE CITY COUNCIL

April 8, 2021

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: BUD TICKEL, Assistant Director
Department of Public Utilities - Water Division

BY: MARTIN WENDELS, Project Manager
Department of Public Utilities - Water Division

SUBJECT

Actions pertaining to the purchase of bulk sodium hydroxide:

1. ***RESOLUTION - Declaring an urgent necessity for the preservation of life, health, property; and authorizing the Purchasing Manager of the Finance Department or designee to continue processing invoices for the purchase of bulk sodium hydroxide in the interim while a new requirements contract is established (Requires five affirmative votes) (Subject to Mayor's veto)
2. Approve an interim contract with Univar USA Inc., in an amount not to exceed \$1,037,000 for the purchase and delivery of bulk sodium hydroxide. (Bid File 9429)

RECOMMENDATION

Staff recommends that Council approve a six month interim contract with Univar USA Inc., in an amount not to exceed \$1,037,000, for the purchase and delivery of bulk sodium hydroxide used for surface water treatment and authorize the Purchasing Manager, or designee, to sign agreement on behalf of the City.

EXECUTIVE SUMMARY

Bulk sodium hydroxide is used in the post-treatment process at the Northeast Surface Water Treatment Facility (NE facility), Southeast Surface Water Treatment Facility (SE facility) and the Tank-3 (T3) treatment facility for corrosion control in the potable water distribution system. On February 29, 2019, City Council approved a contract with Univar USA Inc., for the purchase and delivery of bulk sodium hydroxide for an amount of \$307,998.68. The basis for the amount originally approved was derived from baseline average usage rates from the NE facility. Substantial increases in surface water production and treatment were not anticipated and the initial estimated quantities of needed sodium hydroxide were underestimated. Approval of the interim contract will allow for the purchase and delivery of bulk sodium hydroxide for the continued operation of the treatment facilities to ensure the health and safety of the community and provide ample time to complete a rebid of the bulk sodium hydroxide requirements contract.

BACKGROUND

The Water Division injects sodium hydroxide as part of the treatment of raw surface water at the NE facility, SE facility and T3 facility. It is considered to be an effective enhancement chemical for the City of Fresno's water supply by conditioning raw water and enhancing the chemical reaction with the primary coagulant, to facilitate effective cleansing of the water. It also adjusts the pH of the treated water entering the water distribution system and ultimately the end-users' facilities (homes and businesses, etc.), thereby controlling the corrosive quality of the treated water within water mains, pipes and other appurtenances.

In May 2018, the SE facility became operational and the City's production of surface water grew from 15 percent of total potable water production to a present day 51 percent. Due to an increase of production beyond initial estimates for the SESWTF, increases in production at the other two facilities and increased corrosion control chemistry at all three (3) facilities; there has been a subsequent increased need for sodium hydroxide.

On February 8, 2018, Council approved a requirements contract in the amount of \$307,998.68 to Univar USA Inc., for bulk sodium hydroxide. The contract term was for one-year with provisions for two one-year extensions. During the latest extension it was apparent that necessary quantities of sodium hydroxide were to exceed the purchase order limits that were previously approved. Council approval is needed for the Purchasing Manager to sign a six-month interim contract not to exceed \$1,037,000 to continue purchasing the critically important chemical, and allow substantial time to complete a rebid of the requirements contract. The City Attorney's Office has reviewed and approved to form.

The specifications for the new requirements contract are in the final stages of review and the Bid File Number is 9601.

ENVIRONMENTAL FINDINGS

By definition provided in the California Environmental Quality Act Guidelines Section 15378, the award is this requirements contract does not qualify as a “project”.

LOCAL PREFERENCE

Local preference was not applicable as the local vendor was the lowest responsible bidder.

FISCAL IMPACT

The General Fund is not impacted by this citywide expenditure, as the appropriations for the purchase of the bulk sodium hydroxide is included in the FY 2021 Water Enterprise Fund budget.

Attachments:

Attachment 1 - Resolution

Attachment 2 - Sample Contract