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Title: Award a Product Requirements Contract for bulk sodium hypochlorite to Pur Water LLC., of Napa, California, for an initial term of three years, with two optional one-year extensions, in an amount not to exceed \$2,210,340.00 per year plus annual Producer Price Index adjustments (Bid File 12600675) (Citywide)

Sponsors: Department of Public Utilities

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Attachments: 1. 26-216 12600685 Bid Evaluation and Fiscal Impact Statement, 2. 26-216 Sample Product Requirements Contract

Date	Ver.	Action By	Action	Result
4/9/2026	1	City Council	APPROVED ON CONSENT CALENDAR	Pass

REPORT TO THE CITY COUNCIL

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SUBJECT

Award a Product Requirements Contract for bulk sodium hypochlorite to Pur Water LLC., of Napa, California, for an initial term of three years, with two optional one-year extensions, in an amount not to exceed \$2,210,340.00 per year plus annual Producer Price Index adjustments (Bid File 12600675) (Citywide)

RECOMMENDATION

Staff recommends that the City Council award a Product Requirements Contract for the purchase of bulk sodium hypochlorite to Pur Water LLC., of Napa, California, for an initial term of three years, with two optional one-year extensions, in an amount not to exceed \$2,210,340 per year plus annual Producer Price Index (PPI) adjustments; and authorize the Purchasing Manager, or designee, to sign the agreement on behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU) is required by the Federal Safe Drinking Water Act and State Title 22 regulations to continuously maintain a chlorine concentration greater than 0.2 milligrams per liter throughout the City of Fresno's (City) water distribution system. DPU has historically purchased bulk sodium hypochlorite using product requirements contracts, and the current supplier notified DPU that they could not continue to meet the required demand due to production limitations at their facility. A new contract is required to continue an uninterrupted sodium hypochlorite supply.

The City conducted a competitive bidding process in accordance with Fresno City Charter Section 1208, and Pur Water LLC., of Napa, California, was deemed the lowest responsive and responsible bidder.

BACKGROUND

DPU is required under the Federal Safe Drinking Water Act and California Title 22 regulations to continuously maintain a chlorine residual greater than 0.2 milligrams per liter throughout the City's water distribution system. Sodium hypochlorite is dosed at the Northeast Surface Water Treatment Facility (SWTF), the Southeast SWTF, Tank 3 SWTF, and at multiple groundwater well sites to ensure continuous disinfection and regulatory compliance.

DPU has historically procured bulk sodium hypochlorite through competitively bid product requirements contracts to secure a reliable supply at competitive market pricing. The current supplier, Thatcher Company, Inc., was awarded a product requirements contract on November 13, 2024, in the amount of \$5,371,126.20. Under that contract, sodium hypochlorite was supplied at a unit cost of \$2.43 per gallon. In late 2025, Thatcher notified DPU that production limitations at its facility and broader supply chain constraints affecting chlorine-based chemical manufacturing would prevent it from meeting the City's required hypochlorite demand. Consequently, DPU needed to secure a replacement supplier to ensure continuous compliance with State and Federal public health standards.

A Notice Inviting Bids was advertised on December 18, 2025, in accordance with Fresno City Charter Section 1208. Bids were opened on January 13, 2026. A total of 586 prospective bidders were notified, nine vendors downloaded the bid specifications, and five bids were received. One bid was deemed non-responsive for taking exception to the City's contractual terms and conditions. Pur Water LLC., of Napa, California, was determined to be the lowest responsive and responsible bidder.

The proposed contract with Pur Water LLC., is in the amount of \$6,631,020 for a three-year product requirements term. Pur Water LLC.'s bid price is \$3.00 per gallon, which represents an increase of \$0.57 per gallon, or approximately 23.5 percent, over the prior Thatcher contract price of \$2.43 per gallon. The price increase reflects current market conditions, including reduced regional production capacity, increased raw material and manufacturing costs, higher transportation and fuel expenses, and broader inflationary pressures within the chemical supply market.

Total FY 2026 expenditures for sodium hypochlorite are projected to exceed the original adopted FY 2026 budget by approximately \$374,000. Any actual expenditures above the adopted FY 2026 budget will be covered by savings in other accounts in the budget category. The proposed contract with Pur Water LLC., in the amount of \$6,631,020, establishes sodium hypochlorite pricing for a three-year term. Future fiscal year budget appropriations will include sufficient funding to cover the full cost

of sodium hypochlorite throughout the duration of the agreement.

If the City elects to exercise the optional one-year extensions, expenditures for those years will be funded through future fiscal year appropriations, with pricing adjusted annually based on the PPI as permitted in the contract.

The City Attorney has reviewed and approved the contract as to form.

ENVIRONMENTAL FINDINGS

This is not a project for the purposes of the California Environmental Quality Act (CEQA). Pursuant to State CEQA Guidelines Section 15378(b)(2), "project" does not include "continuing administrative or maintenance activities, such as purchases for supplies."

LOCAL PREFERENCE

Local preference was applicable, but there were no local bidders as defined by the Fresno Municipal Code.

FISCAL IMPACT

Funding for the purchase of bulk sodium hypochlorite is included in the FY 2026 Water Enterprise Fund operating budget. There is no impact to the General Fund.

Attachments:

12600675 Bid Evaluation and Fiscal Impact Statement
Sample Product Requirements Contract