



## AGENDA MEMORANDUM

Action Item for the City Council Meeting March 29, 2022

**DATE:** March 29, 2022

**TO:** Peter Zaroni, City Manager

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### Supply Agreement for 25% Sodium Chlorite Solution

#### **CAPTION**

Motion authorizing a two-year supply agreement, with two one-year options with International Dioxide Inc. of North Kingstown, Rhode Island for the purchase of 25% Sodium Chlorite Solution for an amount not to exceed \$1,452,000.00 for the initial 2 years and a potential amount not to exceed \$3,353,250.00 for a four-year term which includes a 3% increase each option year if the option periods are exercised, with FY 2022 funding of \$363,000.00 available from the Water Fund.

#### **SUMMARY:**

This supply agreement is for 25% Sodium Chlorite Solution for the O. N. Stevens Water Treatment Plant and is used to introduce chlorite into the treatment process.

#### **BACKGROUND AND FINDINGS:**

Sodium chlorite solution is a chemical used for the generation of chlorine dioxide at the O.N. Stevens Water Treatment Plant. This chemical helps to oxidize organic matter in the water through the generation of chlorine dioxide. This chemical also introduces chlorite into the water to aid in the prevention of nitrification for the distribution system.

#### **PROCUREMENT DETAILS:**

Finance – Procurement conducted a competitive Request for Bids process to obtain bids. The City received two responsive responsible bids and staff is recommending the award to international Dioxide Inc. This chemical was purchased in 2018 from the same vendor

and the price was 0.468 per wet pound. The price in 2022 is 0.484 per wet pound, representing a 3.4% increase in the price per wet pound.

**ALTERNATIVES:**

An alternative to securing a two-year supply agreement is to purchase 25% sodium chlorite through short-term supply agreements. However, this chemical (25% sodium chlorite) is the least volatile of all the chemicals purchased for water treatment and locking in the price is the best option.

**FISCAL IMPACT:**

The fiscal impact for the Water Fund in FY 2022 is \$363,000.00.

**Funding Detail:**

Fund:	4010 Water
Organization/Activity:	31010 Stevens Plant
Mission Element:	062 Treat Water
Project # (CIP Only):	N/A
Accounts:	520010 Purification Chemicals

**RECOMMENDATION:**

Staff recommends approval of the motion authorizing this supply agreement with International Dioxide Inc. as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement