



AGENDA MEMORANDUM

Action Item for the City Council Meeting of April 21, 2020

DATE: April 21, 2020

TO: Peter Zaroni, City Manager

FROM: Kevin Norton, Director of Water Utilities
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<p align="center">Supply Agreement for Liquid Caustic Soda Solution for Water Treatment for the O.N. Stevens Water Treatment Plant</p>

CAPTION:

Motion authorizing a two-year Supply Agreement with Univar Solutions USA Inc., for an amount not to exceed \$3,985,600.00 for liquid caustic soda solution used for pH adjustment during the water treatment process at the O.N. Stevens Water Treatment Plant, effective upon issuance of notice to proceed, with FY 2020 funding in an estimated amount of \$996,400.00 available through the Water Fund.

SUMMARY:

This is a supply agreement for liquid caustic soda solution for the O.N. Stevens Water Treatment Plant. Liquid caustic soda solution, also known as sodium hydroxide aqueous solution, is used to adjust the pH of the water treated.

BACKGROUND AND FINDINGS:

Liquid Caustic Soda Solution is currently utilized at the O. N. Stevens Water Treatment Plant for pH adjustment of the final filter effluent to raise the pH of the water. By raising the pH, a more stable environment is created for monochloramine residuals, and the higher pH also keeps city water from being corrosive to the distribution piping system.

The Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids for a new contract. The City received four responsive, responsible bids. Staff is recommending Univar Solutions USA Inc, the current supplier and the lowest, responsive, responsible bidder at a lower unit price of \$185.00, compared to \$230.63 in 2017.

ALTERNATIVES:

An alternative to securing a long-term supply agreement is to purchase the liquid caustic soda solution through short-term supply agreements. This method of transactions may cause delays in the shipment of this critical chemical used for the treatment of potable water. In addition, the cost will depend on the market price at the time of purchase, which may be higher than a locked-in price obtained through a long-term agreement.

FISCAL IMPACT:

The fiscal impact to the Utilities Department in FY 2020 is an amount not to exceed \$996,400.00 for the purchase of liquid caustic soda solution. The remaining cost of \$2,989,200.00 will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

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

RECOMMENDATION:

Staff recommends approval of this motion authorizing a two-year supply agreement with Univar Solutions USA Inc., for the purchase of liquid caustic soda solution as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
Bid Tabulation