

TO: Andrew P. Powers, City Manager

FROM: Clifford G. Finley, Public Works Director

DATE: June 20, 2023

SUBJECT: **Supply and Delivery of Chemicals to Hill Canyon Treatment Plant**

RECOMMENDATION:

1. Award General Service Agreement to Univar Solutions USA, Inc. (Kent, WA) for a two-year term in an amount not-to-exceed \$333,012 for the supply and delivery of Ammonium Sulfate.
2. Award General Service Agreement to California Water Technologies, LLC (Detroit, MI) for a two-year term in an amount not-to-exceed \$527,100 for the supply and delivery of Ferric Chloride.
3. Award General Service Agreement to Momar, Inc. (Atlanta, GA) for a two-year term in an amount not-to-exceed \$325,611 for the supply and delivery of Glycerin.
4. Award General Service Agreement to JCI Jones Chemicals, Inc. (Torrance, CA) for a two-year term in an amount not-to-exceed \$2,565,420 for the supply and delivery of Sodium Bisulfite and Sodium Hypochlorite.
5. Authorize expense in the amount of \$1,800,410 for FY 2023-24 and \$1,950,663 for FY 2024-25 from A/C #621-8250-685-3242 (Hill Canyon Treatment Plant/Wastewater Chemical Supplies).
6. Find that this action is not a project as defined under the California Environmental Quality Act.

FINANCIAL IMPACT:

No Additional Funding Requested. \$1,800,410 is available in the Adopted FY 2023-24 budget and \$1,950,663 in the Adopted FY 2024-25 Wastewater Fund Budget for the supply and delivery of chemicals to Hill Canyon Treatment Plant (HCTP).

BACKGROUND:

Supply and Delivery of Chemicals to HCTP
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Hill Canyon Treatment Plant (HCTP) treats wastewater from the City. Constructed in the 1960s with major improvements over the following decades, HCTP provides advanced tertiary level wastewater treatment. The facility treats an average of eight million gallons per day of wastewater generated from its domestic, commercial, and industrial customers and operates 24 hours per day/seven days per week.

Ammonium Sulfate, Ferric Chloride, Glycerin, Sodium Bisulfite, and Sodium Hypochlorite are essential chemicals used at HCTP for the stabilization and disinfection of wastewater, the reduction of hydrogen sulfide compounds, and other process related needs. HCTP discharges the tertiary-treated effluent to the North Fork of Arroyo Conejo Creek and must comply with a National Pollutant Discharge Elimination System (NPDES) permit issued by the California Regional Water Quality Control Board. These chemicals are necessary to meet all discharge requirements.

On April 14, 2023, a formal Notice Inviting Bids was publicly advertised in the Thousand Oaks Acorn newspaper and on the City's e-procurement website in accordance with the Thousand Oaks Municipal Code Section 3-10.201c for the Supply and Delivery of Chemicals #2022/2023-21: Ammonium Sulfate, Ferric Chloride, Glycerin, Sodium Bisulfite, and Sodium Hypochlorite.

DISCUSSION/ANALYSIS:

On May 3, 2023, eleven bids were received and opened publicly. A summary of the bids are as follows:

AMMONIUM SULFATE (ESTIMATED 90,000 GALLONS ANNUALLY)

Supplier	Unit Cost First Year	Unit Cost Second Year
Univar Solutions USA (Kent, WA)	\$1.67/gallon	\$1.78/gallon
Brenntag Pacific (Santa Fe Springs, CA)	\$1.84/gallon	\$1.99/gallon
Hill Brothers Chemical Company (Brea, CA)	\$2.15/gallon	\$2.37/gallon

FERRIC CHLORIDE (ESTIMATED 90,000 GALLONS ANNUALLY)

Supplier	Unit Cost First Year	Unit Cost Second Year
California Water Technologies (Detroit, MI)	\$2.72/gallon	\$2.74/gallon
Pencco (San Felipe, TX)	\$2.91/gallon	\$2.97/gallon
Kemira Water Solutions (Lawrence, KS)	\$3.00/gallon	\$3.25/gallon

GLYCERIN (ESTIMATED 60,000 GALLONS ANNUALLY)

Supplier	Unit Cost First Year	Unit Cost Second Year
Momar, Inc. (Atlanta, GA)	\$2.46/gallon	\$2.60/gallon
EOSi (Pocasset, MA)	\$2.50/gallon	\$2.62/gallon
TR International Trading Co. (Edmonds, WA)	\$4.39/gallon	\$4.39/gallon

SODIUM BISULFITE (ESTIMATED 225,000 GALLONS ANNUALLY)

Supplier	Unit Cost First Year	Unit Cost Second Year
JCI Jones Chemicals, Inc. (Torrance, CA)	\$1.66/gallon	\$1.86/gallon
Univar Solutions USA (Kent, WA)	\$1.92/gallon	\$1.92/gallon

SODIUM HYPOCHLORITE (ESTIMATED 350,000 GALLONS ANNUALLY)

Supplier	Unit Cost First Year	Unit Cost Second Year
JCI Jones Chemicals, Inc. (Torrance, CA)	\$2.06/gallon	\$2.26/gallon
Pioneer Americas (Cleveland, CA)	\$2.45/gallon	\$2.55/gallon

Univar Solutions USA provided the lowest bid for Ammonium Sulfate; California Water Technologies provided the lowest bid for Ferric Chloride; Momar, Inc. provided the lowest bid for Glycerin; and JCI Jones Chemicals, Inc. provided the lowest bid for both Sodium Bisulfite and Sodium Hypochlorite. Each supplier met the required specifications. It is recommended City Council award two-year agreements to each of the four low bid suppliers for the supply and delivery of chemicals to HCTP (Attachment Nos. 1–4).

Chemical costs have been on the rise over the past couple of years, with significant increases in the prices of various chemicals. Compared to previous contract rates, glycerin has increased by approximately 40 percent, ferric chloride by around 75 percent, and sodium bisulfite by 75 percent – 96 percent. The most notable increase has been observed in sodium hypochlorite, which has increased by 142 percent – 166 percent. However, Ammonium Sulfate has decreased by approximately 35 percent. These general increases in chemical costs are being witnessed across the industry, and the proposed contract rates are comparable to those of other agencies and districts in the state.

The increases in chemical rates can be attributed to several factors, including supply chain issues, higher raw material costs, increased energy costs for

chemical manufacturing, and increased transportation expenses. Despite the rise in prices, these chemicals are essential, and their continued supply is necessary for the wastewater treatment plant process.

This action is not a project as defined under the California Environmental Quality Act because this action will not result in a direct or foreseeable indirect physical change in the environment [14 CCR 15060(c)].

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

F. Provide and enhance essential infrastructure to ensure that the goals and policies of the Thousand Oaks General Plan are carried out and the City retains its role and reputation as a leader in protecting the environment and preserving limited natural resources.

PREPARED BY: Kim Sherman, Sr. Purchasing Specialist

Attachments:

- Attachment #1 – Univar Solutions USA Agreement
- Attachment #2 – California Water Technologies Agreement
- Attachment #3 – Momar, Inc. Agreement
- Attachment #4 – JCI Jones Chemicals, Inc. Agreement