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DATE: June 17, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Matthew Pierce – Water Recycling Plant Operations Supervisor, Public Works & Utilities (PW&U)  
Chelsea Thompson – Deputy Director of Environmental Services, PW&U  
Gina Benedetti-Petnic, PE – Interim Director of PW&U

SUBJECT: Resolution Accepting Bids and Awarding Contracts to the Lowest Responsible Bidders for Furnishing Chemicals for Wastewater Treatment for Fiscal Year 24/25 and Authorizing the City Manager to Execute the Necessary Agreements or Purchase Orders

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached resolution accepting bids and awarding contracts to the lowest responsible bidders for furnishing chemicals for wastewater treatment for fiscal year 24/25 and authorizing the City Manager to execute the necessary agreements or purchase orders.

### **BACKGROUND**

Bulk quantities of chemicals are used in several wastewater treatment processes at the Ellis Creek Water Recycling Facility (ECWRF). These chemicals include polymers to thicken and dewater solids, coagulants, and chemicals to disinfect and dechlorinate treated wastewater. This action aims to award contracts for bulk chemical deliveries based on competitive bid processes conducted by the North Bay Agency Chemical Pool (NBACP) and the City of Petaluma.

### **DISCUSSION**

The City of Petaluma is an NBACP member, consisting of thirteen public agencies. The NBACP endeavors to leverage its combined purchasing power to obtain the best available pricing through joint purchasing for common chemicals used in water and wastewater treatment. In addition to the NBACP bid process, the City issued a separate invitation to bid for specialty chemicals used at the ECWRF.

NBACP issued an invitation to bid on April 3, 2024, and bids were opened on May 6, 2024, at the City of Davis Water Treatment Plant. The NBACP did not require bidders to include sales tax in the price as member agencies have different tax rates. In accordance with Petaluma Municipal Code Section 4.04.100, purchases conducted utilizing a competitive cooperative purchasing program with the State, County, or other public agencies are exempt from competitive purchasing conducted independently by the City.

The City of Petaluma issued an invitation to bid on April 2, 2024, for specialty chemicals used at the ECWRF. The bid price must include all taxes and fees. Bids were opened on May 2, 2024, at the City Clerk's Office.

The lowest responsive bidders for common chemicals bid through the NBACP were as follows:

<u>Bidder</u>	<u>Item</u>	<u>Unit Cost</u>
Thatcher Co. of CA	Sodium Hypochlorite (12.5%)	\$2.49 per gallon
Univar	Sodium Bisulfite (25%)	\$2.40 per gallon
Pennco	Ferric Chloride (43%)	\$1440.00 per dry ton

The lowest responsive bidders for specialty chemicals bid by the City of Petaluma were as follows:

<u>Bidder</u>	<u>Item</u>	<u>Unit Cost</u>
USALCO	Aluminum Chlorohydrate	\$0.47 per pound
SNF/Polydyne	Polymer for solids thickening	\$16.847 per gallon
SNF/Polydyne	Polymer for solids dewatering	\$17.045 per gallon

As shown in Table 1, the overall chemical budget proposed for ECWRF for FY 24/25 is \$1,404,638.83. Attachment 2 consists of a bid summary listing the bidders and bids for each chemical and historical pricing. The summary illustrates the volatility of chemical prices and shows an inflationary spike over the last three years. The chemical budget for FY 24/25 increased by thirteen percent due to rising costs for transportation, raw materials, and energy.

Table 1. Chemical Costs and Estimated Quantities

<b>Chemical Name</b>	<b>Plant Use</b>	<b>Estimated Quantity</b>	<b>FY 24/25 Bid Pricing</b>	<b>Total Cost with Taxes*</b>	<b>FY 24/25 Expense</b>
Sodium Hypochlorite	Disinfection/odor/filters	200,000	\$2.49 / gallon	\$2.72655 / gallon	\$ 545,310.00
Sodium Bisulfite	Dechlorination	40,000	\$2.40 / gallon	\$2.628 / gallon	\$ 105,120.00
Ferric Chloride	Hydrogen sulfide removal	110	\$1440.00 / dry ton	\$1576.80 / dry ton	\$ 173,448.00
Aluminum Chlorohydrate	Coagulant for tertiary filtration	225,000	\$0.47 / pound	Taxes incl. in bid pricing	\$ 105,750.00
Polymer (C-6288)	Solids thickening	1,890	\$16.847 / gallon	Taxes incl. in bid pricing	\$ 31,840.83
Polymer (WE-2273)	Solids dewatering	26,000	\$17.045/ gallon	Taxes incl. in bid pricing	\$ 443,170.00
<b>*Estimated Costs Including Sales Tax 9.50%</b>					<b>\$ 1,404,638.83</b>

## **PUBLIC OUTREACH**

This agenda item appeared on the City Council’s tentative agenda document on June 3, 2024, which was a publicly noticed meeting in compliance with the California Brown Act.

## **COUNCIL GOAL ALIGNMENT**

The City Council identified “Our Environmental Legacy” as one of its key strategic initiatives with the objective to “preserve and protect Petaluma’s environment for future generations.” Wastewater treatment protects water quality in the Petaluma River, and the production of recycled water supports local agriculture and offsets demand for groundwater and surface water resources.

## **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

Bulk quantities of chemicals are used in several different treatment processes, and these chemicals are essential for regulatory compliance. Receiving chemicals in bulk is the most efficient and sustainable method of handling large quantities.

## **ENVIRONMENTAL REVIEW**

Purchasing chemicals to treat wastewater at the ECWRF is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (existing facilities), which categorically exempts projects needed for the operation of existing structures and equipment involving negligible or no expansion. These chemicals are needed for the operation of the already existing ECWRF. Additionally, the operation and treatment of the ECWRF were analyzed under the ECWRF CEQA documents.

## **FINANCIAL IMPACTS**

Currently, there are no feasible alternatives to using chemicals for coagulation, dewatering, and disinfecting secondary effluent. The adopted FY 24/25 wastewater treatment budget is sufficient to cover this cost.

## **ALTERNATIVES**

Currently, there are no feasible alternatives to using chemicals for coagulation, dewatering, and disinfecting secondary effluent.

## **ATTACHMENTS**

1. Resolution
2. Chemical Bid Summary