



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorize the Issuance of a Purchase Order for Sodium Hypochlorite for the Water Pollution Control Plant (F16-125)

#### **REPORT IN BRIEF**

Council approval is requested to authorize the issuance of a one-year purchase order to Univar USA, Inc. of Kent, Washington, in an amount not-to-exceed \$150,000 for the purchase of sodium hypochlorite to be used in the wastewater treatment process.

Approval is also requested to delegate authority to the City Manager to award annual purchase orders for sodium hypochlorite for a period not to exceed four years, subject to continued participation in the Bay Area Chemical Consortium (a regional purchasing cooperative of which Sunnyvale is a member agency), funding availability and acceptable pricing/service; and to increase the not to exceed values of the annual purchase orders within operating budget appropriation limits if additional quantities are needed for wastewater treatment processes.

These recommendations are consistent with prior contracts approved by Council in 2014 and 2015 for other large wastewater treatment chemical purchases for the Plant (RTC No. 14-0773 and RTC No. 15-0568). Aligning multiple chemical purchases with the Bay Area Chemical Consortium (BACC) will create bidding efficiencies and result in volume pricing discounts over the next several years.

#### **EXISTING POLICY**

The City may utilize purchasing cooperatives pursuant to Section 2.08.220 of the Sunnyvale Municipal Code.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

#### **BACKGROUND AND DISCUSSION**

The final treatment process at the Plant currently disinfects wastewater using gaseous chlorine, as does the recycled water production process. Gaseous chlorine has been in use for decades and was historically the disinfectant of choice due to its effectiveness and low cost. However, gaseous chlorine is a very dangerous chemical. Due to that danger and the associated safety programs that must be strictly enforced most of the wastewater treatment plants have eliminated its use in favor of strong Bleach (technically sodium hypochlorite at a concentration of 12.5%). This product is much less dangerous to transport, handle, store and use and therefore reduces the potential hazards to Plant

and SMaRT station workers, surrounding business, and the adjacent outdoor recreation community.

Council awarded a construction contract to convert the disinfection system to sodium hypochlorite on April 28, 2015 (RTC No. 15-0360). The newly built system is scheduled to become operational in September 2016. Therefore, the WPCP needs to have sodium hypochlorite available as a primary treatment chemical during the first quarter of FY 2016/17.

#### Bay Area Chemical Consortium Regional Purchasing Cooperative

During the last two years, Council approved cooperative procurement contracts with the BACC, a regional procurement cooperative coordinated by the Dublin San Ramon Services District which leverages purchasing power on behalf of at least 40 Bay Area agencies, for the purchase of sodium bisulfite (RTC No. 14-0773) and polymers (RTC No. 15-0568).

Council approval for both contracts included delegated authority for the City Manager to renew both contracts for up to five additional one-year periods and to increase the contract within budgeted appropriation limits, subject to:

- Continued participation in the BACC bidding process
- Available budgeted funding
- Acceptable pricing and service

The BACC recently conducted its annual competitive bid for a wide variety of chemicals on behalf of participating agencies. As chemical costs vary based on a variety of factors such as chemical type, estimated volumes and proximity, the bids are structured by chemical by region. Sunnyvale participates in the South Bay regional grouping. The lowest responsive bid for sodium hypochlorite for the South Bay was Univar USA. Staff recommends contracting with Univar for the first year or any other company as determined by the BACC to be the low bidder for Sodium Hypochlorite during the subsequent four years. This will facilitate a consistent bidding process with volume pricing discounts for the next several years for chemicals critical to effective wastewater treatment.

#### **FISCAL IMPACT**

Chemical usage fluctuates each year. It is estimated that a \$150,000 will be needed for the initial purchase order. This amount may fluctuate in the following years due to the volume of sodium hypochlorite needed for the disinfection of treated wastewater and volumes required for the recycled water treatment processes. Budgeted funds are available in the Wastewater Management Operating Program.

#### Funding Source

This contract is funded by the Wastewater Management Fund.

#### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

#### **RECOMMENDATION**

1) Authorize the issuance of a one-year purchase order to Univar USA, Inc. in an amount not to exceed \$150,000 for the purchase of sodium hypochlorite; 2) Delegate authority to the City Manager to award annual purchase orders for sodium hypochlorite for a period not to exceed four years to those companies determined by the BACC to be the lowest responsive and responsible bidders, subject to: a) continued participation in the Bay Area Chemical Consortium cooperative purchasing program, b) funding availability, c) acceptable pricing/service; and 3) Delegate authority to the City Manager to increase the not to exceed amount of the annual purchase orders within operating budgeted appropriation limits if additional quantities are needed for wastewater treatment processes.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: John Stufflebean, Director of Environmental Services

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENT**

1. Draft Blanket Purchase Order