



Folsom City Council Staff Report

MEETING DATE:	9/8/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10518 – A Resolution Authorizing the City Manager to Execute an Agreement with Olin Corporation, DBA Olin Chlor Alkali Products for the Supply of Sodium Hypochlorite for the Water Treatment Plant
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends that the City Council pass and adopt Resolution No. 10518 - A Resolution Authorizing the City Manager to Execute an Agreement with Olin Corporation, DBA Olin Chlor Alkali Products for the Supply of Sodium Hypochlorite for the Water Treatment Plant.

BACKGROUND / ISSUE

The City of Folsom receives 100% of its water supply from Folsom Lake. The City's Water Treatment Plant treats up to 50 million gallons per day of this supply to provide potable water to its customers. To meet the California Department of Public Health's drinking water standards, the water treatment process uses a combination of flocculation/sedimentation pretreatment, conventional gravity media filters, and disinfection. An essential chemical for this process is sodium hypochlorite.

In an effort to reduce overall chemical costs, the City participated with a cooperative group of public agencies through the Bay Area Chemical Consortium (BACC) and developed regional chemical bid documents. The regional bid documents allowed these water purveyors to leverage larger chemical volumes under one bid in order to reduce costs. Through this process, Olin Corporation provided the lowest responsive and responsible bid for providing sodium hypochlorite for use at the City of Folsom Water Treatment Plant.

This resolution will authorize the City Manager to execute an agreement with Olin Corporation, DBA Olin Chlor Alkali Products for the supply of sodium hypochlorite for the Water Treatment Plant.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, contracts for supplies costing \$62,014 or greater shall be awarded by the City Council.

ANALYSIS

In March 2019, the Bay Area Chemical Consortium completed the regional chemical bid documents and publicly advertised for bids. Bids were opened on April 2, 2019 and Olin Corporation was the lowest responsive and responsible bidder for the supply of sodium hypochlorite to the City of Folsom. Due to Covid-19, the BACC cancelled the bid process for 2020, and recommended participating agencies continue with current suppliers who agreed to honor the bids from the previous year.

As delivery sizes and locations vary by agency, the successful bidders are chosen based on a weighted average bid price for the chemical. The weighted average bid price includes the volume of product purchased and the travel distance for delivery to each agency.

The following bids were received by BACC on April 2, 2019, relating to supply of sodium hypochlorite for the City of Folsom:

Contractor	Weighted Average Bid Price
Olin Chemical	\$0.7390 per gallon
Univar Corporation	\$0.7863 per gallon

Water Treatment Plant staff estimates a need for 150,000 gallons of sodium hypochlorite for the current fiscal year, at a cost of \$110,000, and estimate a 5% escalation in demand per year over the next four years.

The Environmental and Water Resources Department recommends that the City Council authorize the City Manager to execute an agreement with Olin Corporation, DBA Olin Chlor Alkali Products for the purchase of sodium hypochlorite for the Water Treatment Plant for the next five years.

FINANCIAL IMPACT

Funds for the purchase of Water Treatment Plant chemicals have been included in the Fiscal Year (FY) 2020-21 operations budget. There are sufficient funds available in the Water Operating Fund (Fund 520) in FY 2020-21 for this agreement. This agreement will be included in future budget years.

The total annual cost in FY 2020-21 is \$110,000, with a five percent escalation factor per year for 5-years for a total contract not-to-exceed amount of \$608,000.

Chemical	\$/gal	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)	Year 4 (\$)	Year 5 (\$)
Sodium Hypochlorite	\$ 0.7390	\$ 110,000	\$ 115,500	\$ 121,000	\$ 127,500	\$ 134,000

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act (CEQA), as it is related to Section 15301, Existing Facilities.

ATTACHMENT

Resolution No. 10518 - A Resolution Authorizing the City Manager to Execute an Agreement with Olin Corporation, DBA Olin Chlor Alkali Products for the Supply of Sodium Hypochlorite for the Water Treatment Plant

Submitted,

Marcus Yasutake, Director
 Environmental and Water Resources

RESOLUTION NO. 10518

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH OLIN CORPORATION, DBA OLIN CHLOR ALKALI PRODUCTS FOR THE SUPPLY OF SODIUM HYPOCHLORITE FOR THE WATER TREATMENT PLANT

WHEREAS, sodium hypochlorite is an essential chemical to each phase of the City's water treatment plant operation; and

WHEREAS, the City coordinated with the Bay Area Chemical Coalition to develop a regional bid for sodium hypochlorite; and

WHEREAS, on April 2, 2019, the Bay Area Chemical Coalition received bids for sodium hypochlorite; and

WHEREAS, Olin Corporation was the lowest responsible, responsive bidder; and

WHEREAS, funds have been budgeted and are available in the Water Operating Fund (Fund 520); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an agreement with Olin Corporation for the Supply of Sodium Hypochlorite for an amount not-to-exceed \$608,000 over a five-year period.

PASSED AND ADOPTED this 8th day of September 2020, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK