



Folsom City Council Staff Report

MEETING DATE:	3/14/2022
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11002 – 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 and Appropriation of Funds
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. 11002 - 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 and Appropriation of Funds.

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 State Water Resources Control Board, Division of Drinking Water standards, the water treatment process uses a combination of flocculation/sedimentation pretreatment, conventional gravity media filters, and disinfection. An essential chemical for the disinfection process is sodium hypochlorite.

In September 2020, through Resolution No. 10518 the City Council approved execution of an agreement with Olin Corporation, DBA Olin Chlor Alkali Products (Olin) to supply sodium hypochlorite for the Water Treatment Plant for a five-year period. In July 2022, Olin requested relief for the remainder of the contract terms, providing documentation detailing the limited supply and rising costs of raw materials, in addition to increases in the costs of both chemical

manufacturing and fuel. Based on this understanding, Olin has continued to supply sodium hypochlorite to the Water Treatment Plant, but in just the past year, the price of Sodium Hypochlorite, which cost \$0.839 per gallon in early 2022 has almost tripled to \$2.37 per gallon in early 2023. Funding needed for the purchase of necessary chemicals has therefore exceeded the amounts anticipated at the time that the budget for Fiscal Year 2022-23 was prepared.

In an effort to reduce overall chemical costs, the City is participating with a cooperative group of public agencies through the Bay Area Chemical Consortium (BACC) which develops regional chemical bid documents each year. The regional bid documents allow these water purveyors to leverage larger chemical volumes under one bid to reduce costs. Through this process, Olin Corporation has 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 and Appropriation of Funds.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, contracts for supplies costing \$70,952 or greater shall be awarded by the City Council.

ANALYSIS

On January 26, 2023, the BACC completed the regional chemical bid documents and publicly advertised for bids. The following bids were received by BACC on February 23, 2023, relating to supply of sodium hypochlorite for the City of Folsom:

Contractor	Weighted Average Bid Price
Olin Corporation	\$2.89 per gallon
Univar Solutions USA Inc.	\$3.31 per gallon
Hasa, Inc.	\$2.94 per gallon

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. Olin Corporation was the lowest responsive and responsible bidder for the supply of sodium hypochlorite to the City of Folsom.

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.

FINANCIAL IMPACT

The table below summarizes the anticipated volume of sodium hypochlorite required at the Water Treatment Plant, and associated costs.

Chemical	Remainder of FY 22-23	FY 23-24	Total
Volume required (gallons)	55,000	135,000	190,000
Cost @ \$2.89 per gallon	\$158,950	\$390,150	\$549,100

Purchase of sodium hypochlorite through the remainder of FY 22-23 will require an additional appropriation of \$160,000. There are sufficient funds available in the Water Fund (Fund 520) for this appropriation from fund balance. This agreement will also be included as part of the FY 23-24 budget process.

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. 11002 - 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 and Appropriation of Funds

Submitted,

Marcus Yasutake, Director
Environmental and Water Resources

RESOLUTION NO. 11002

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 AND APPROPRIATION OF FUNDS

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 February 23, 2023, the Bay Area Chemical Coalition received bids for sodium hypochlorite; and

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

WHEREAS, an appropriation in the amount of \$160,000 is needed for the remainder of Fiscal Year 2022-23 and funds are available in the Water Fund (Fund 520); and

WHEREAS, this agreement will also be included in the budget process for the FY 23-24 budget; 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 \$549,100.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate an additional \$160,000 in the Water Fund (Fund 520) for this agreement.

PASSED AND ADOPTED this 14th day of March 2023, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

*This page intentionally left blank
to facilitate double-sided printing.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE