



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: Regular Council Meeting **MEETING DATE:** March 1, 2022
FROM: Scott Schultz, Asst. Water Utilities Director
SUBJECT: City Council approval to purchase water and wastewater treatment chemicals from Hawkins Inc. through 9/30/2022 to bring the contract in alignment with our fiscal year and to see if pricing and availability stabilizes. *Scott Schultz*

BACKGROUND

On 5/2/17 Council approved Bid # 03-17-02 awarding the contract to supply water and wastewater treatment chemicals to Hawkins, Inc. The contract initiated 5/2/2017, with the ability to extend four more years (which the city did), ending on 5/1/2022.

In preparation to prepare a Request for Proposals to initiate another 5-year contract, vendors are not willing to enter into a contract for longer than one year, and some of the vendors do not intend to quote due to supply chain issues. Availability of Sodium Bisulfite is an industry-wide concern. Without this chemical, we cannot de-chlorinate wastewater and send it to the River. This is a concern for all utilities that discharge to surface waters.

Hawkins, via my request, has agreed to sell us the chemicals through September 30, 2022, in order to bring the expiration date in alignment with our fiscal year (as most blanket contracts are) and in hopes that the market will stabilize. Note – this is not a contract extension. There will be a price increase effective May 1, 2022, as follows:

- Sodium Hypochlorite: \$1.21 / gallon to \$1.75 / gallon
- Sodium Bisulfite: \$2.65 / gallon to \$2.99 / gallon

It should also be noted that Hawkins has honored their bid price for the entirety of their five-year term. They have not requested any price increases, even in the midst of the Chlorine shortages last year and in the midst of increasing chemical and transportation costs. They have been delivering at a loss to keep our business.

This request is to address the increase that we expect to see in expenditures from May 1, 2022 through September 30, 2022 above and beyond the existing blanket PO that Council has authorized for the current fiscal year. Staff will continue to monitor the chemical market and issue a new RFP for award by October 1, 2022 or report back to Council with other options as may be appropriate and in the best interest of the City.

FISCAL IMPACT

Approximately \$12,000.00 to the wastewater fund

Approximately \$7,000.00 to the water fund

RECOMMENDATION

Approve the cost increase for purchase of water and wastewater treatment chemicals from Hawkins Inc. through 9/30/2022 to bring the contract in alignment with our fiscal year and to see if pricing and availability stabilizes.