



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: Regular Council Meeting **MEETING DATE:** October 3, 2023
FROM: Scott Schultz, Asst. Water Utilities Director
SUBJECT: City Council approval to enter into quarterly “contracts” (Agreements) with Hawkins, Inc. for purchase of water and wastewater treatment chemicals, to maintain supply until market 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.

During FY22 preparation to prepare a Request for Proposals to initiate another 5-year contract, vendors were 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.

On 8-16-22, Council approved entering into quarterly agreements with Hawkins for water /wastewater treatment chemicals until the market stabilizes.

While there has been some improvement, there is still instability in the chemical market. Hawkins has been the city’s chemical provider for approximately eight years and has been a reliable source and business partner. Hawkins has agreed to continue quarterly agreements where chemical pricing will be adjusted based on market pricing, which could lead to increases or decreases in price. The historical prices for chemicals are listed below.

Sodium Hypochlorite:

- FY 19-21: \$1.21 / gallon
- FY 22: \$1.75 / gallon
- FY23: \$1.99 / gallon

Sodium Bisulfite:

- FY 19-21: \$2.65 / gallon
- FY 22: \$2.99 / gallon
- FY23: \$3.85 / gallon

In short, staff is requesting to continue quarterly agreements with Hawkins for water and wastewater treatment chemicals.

FISCAL IMPACT

Approximately \$160,000.00 to the wastewater fund

Approximately \$50,000.00 to the water fund

RECOMMENDATION

Approve quarterly “contracts” (Agreements) with Hawkins, Inc. for purchase of water and wastewater treatment chemicals, to maintain supply until market pricing and availability stabilizes