June 29, 2010

To: Mayor and City Council

From: Mark Madison, Director of Municipal Utilities

SUBJECT: EXECUTION OF CONTRACTS WITH CHEMICAL VENDORS FOR CHEMICAL PURCHASES FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

RECOMMENDATION

It is recommended that the City Council adopt six resolutions approving specifications and authorizing the City Manager to:

1. Execute a contract with Kemira Water Solutions of Lawrence, Kansas for the purchase of ferric chloride at $626.75/dry ton.

2. Execute a contract with General Chemical Performance Products LLC of Parsippany, New Jersey for the purchase of liquid alum at $342.91/dry ton.

3. Execute a contract with Thatcher Company of Salt Lake City, Utah for the purchase of aqueous ammonia at $676.00/dry ton.

4. Execute a contract with Basic Chemical Solutions of Santa Fe Springs, California for the purchase of liquid sodium hydroxide at $424.23/dry ton.

5. Execute a contract with Sierra Chemical Co. of Stockton, California for the purchase of sulfur dioxide at $590.72/dry ton.

6. Execute a contract with JCI Jones Chemicals, Inc. of Torrance, California for the purchase of liquid chlorine at $370.00/ton.

It is further recommended that the resolutions authorize the City Manager to take appropriate actions to carry out the purpose and intent of each resolution.

Summary

By this action, the Council will authorize the City Manager to execute six contracts for the purchase of chemicals to the most responsive, competitive vendor for each chemical. These chemicals include ferric chloride, liquid alum, aqueous ammonia, liquid sodium hydroxide, sulfur dioxide, and liquid chlorine, all chemicals used in the treatment of wastewater. Each contract is for a period of three years, with the option of extending the agreement for up to two additional one-year terms.

AGENDA ITEM 6.19
EXECUTION OF CONTRACTS WITH CHEMICAL VENDORS FOR CHEMICAL PURCHASES FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

(Page 2)

DISCUSSION

Background

Chemicals aide in the water treatment process. Coagulation and flocculation are processes by which soil form clusters. These are key steps used in reducing naturally occurring water impurities, which affect the efficiency of disinfection. Ferric chloride and liquid alum are used during these processes in the treatment of wastewater. Ferric chloride is also used as an oxidizer for hydrogen sulfide. Prior to discharge into the San Joaquin River, the water is disinfected, aqueous ammonia aides in the disinfecting process, and liquid chlorine is used as the primary disinfectant. Sodium hydroxide is used to adjust the pH levels to conform to regulations.

On February 19, 2008, the City Council, by Resolutions 08-0056, 08-0057, and 08-0058, authorized the assumption of three chemical contracts from OMI-Thames, as it was deemed most advantageous to the City at the time. The assumed contracts are due to expire by the end of Fiscal Year 09-10. The water treatment process requires three other chemicals that are not currently under contract. Compilation of all chemicals in one competitive bid helps to reduce the cost associated with the distribution of six bids.

On May 10, 2010, Municipal Utilities issued a public request soliciting competitive bids from chemical vendors for the six chemicals required for the treatment of wastewater.

Present Situation

On May 10, 2010, a request for sealed bid for Chemicals for the Treatment of Waste Water was posted on the City’s Bid Flash website. In addition, notifications were sent to eleven chemical vendors and an invitation to bid was posted on May 20, 2010 in the Stockton Record. Sierra Chemical Co. was the only local vendor who responded to the bid, discount adjustments have been made to determine the lowest competitive bid.

On June 3, 2010, the City Clerk of the City of Stockton opened, examined and publicly declared the sealed bids for the purchase of six chemicals for the treatment of wastewater (PUR 10-037).
The results are as follows:

Bid results for the purchase of Ferric Chloride

<table>
<thead>
<tr>
<th>VENDOR, LOCATION</th>
<th>UNIT COST/TON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kemira Water Solutions, Lawrence KS</td>
<td>$626.75</td>
</tr>
<tr>
<td>California Water Tech, Santa Fe Spring CA</td>
<td>$798.00</td>
</tr>
<tr>
<td>Sierra Chemical Co., Stockton CA</td>
<td>Actual bid $862.98 Local Vendor Adjustment $837.09</td>
</tr>
</tbody>
</table>

Bid results for the purchase of Liquid Alum

<table>
<thead>
<tr>
<th>VENDOR, LOCATION</th>
<th>UNIT COST/TON</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Chemical Performance Products, LLC, Parsippany NJ</td>
<td>$342.91</td>
</tr>
<tr>
<td>Thatcher Company, Salt Lake City UT</td>
<td>$406.57</td>
</tr>
<tr>
<td>Rhodia Inc., Cranbury NJ</td>
<td>$490.00</td>
</tr>
</tbody>
</table>

Bid results for the purchase of Aqueous Ammonia

<table>
<thead>
<tr>
<th>VENDOR, LOCATION</th>
<th>UNIT COST/TON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thatcher Company, Salt Lake City UT</td>
<td>$676.00</td>
</tr>
</tbody>
</table>

Bid results for the purchase of Liquid Sodium Hydroxide

<table>
<thead>
<tr>
<th>VENDOR, LOCATION</th>
<th>UNIT COST/TON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Chemical Solutions, Santa Fe Springs CA</td>
<td>$424.23</td>
</tr>
<tr>
<td>Olin Chlor Alkali Products, Tracy CA</td>
<td>$452.35</td>
</tr>
<tr>
<td>Sierra Chemical Co., Stockton CA</td>
<td>Actual Bid $514.48 Local Vendor Adjustment $499.05</td>
</tr>
</tbody>
</table>

Bid results for the purchase of Sulfur Dioxide

<table>
<thead>
<tr>
<th>VENDOR, LOCATION</th>
<th>UNIT COST/TON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sierra Chemical Co., Stockton CA</td>
<td>$590.72</td>
</tr>
</tbody>
</table>

Bid results for the purchase of Liquid Chlorine

<table>
<thead>
<tr>
<th>VENDOR, LOCATION</th>
<th>UNIT COST/TON</th>
</tr>
</thead>
<tbody>
<tr>
<td>JCI Jones Chemicals, Inc., Torrance CA</td>
<td>$370.00</td>
</tr>
<tr>
<td>Olin Chlor Alkali Products, Tracy CA</td>
<td>$419.65</td>
</tr>
</tbody>
</table>
The contracts are for the purchase of chemicals associated with operations and maintenance of the three City utilities. Each contract is for a period of three years from the date of signature. The City may elect to extend the agreement up to two additional one year terms.

Findings

The bid submitted by Kemira Water Solutions, Inc. (Lawrence, KS) for the purchase of ferric chloride is regular in all respects and meets the City’s specifications. They have the proper license for this work. The proposed contract consists of the purchase and delivery of approximately 250 dry tons of ferric chloride for the fiscal year 2010-11. The City will pay only for the quantity of ferric chloride delivered.

The bid submitted by General Chemical Performance Products, LLC (Parsippany, NJ) for the purchase of liquid alum is regular in all respects and meets the City’s specifications. They have the proper license for this work. The proposed contract consists of the purchase and delivery of approximately 7000 dry tons of liquid alum for the fiscal year 2010-11. The City will pay only for the quantity of liquid alum delivered.

The bid submitted by Thatcher Company of California (Salt Lake City, UT) for the purchase of aqueous ammonia is regular in all respects and meets the City’s specifications. They have the proper license for this work. The proposed contract consists of the purchase and delivery of approximately 19 dry tons of aqueous ammonia for the fiscal year 2010-11. The City will pay only for the quantity of aqueous ammonia delivered.

The bid submitted by Basic Chemical Solutions (Santa Fe Springs, CA) for the purchase of liquid sodium hydroxide is regular in all respects and meets the City’s specifications. They have the proper license for this work. The proposed contract consists of the purchase and delivery of approximately 400 dry tons of liquid sodium hydroxide for the fiscal year 2010-11. The City will pay only for the quantity of liquid sodium hydroxide delivered.

The bid submitted by Sierra Chemical Co. (Stockton, CA) for the purchase of sulfur dioxide is regular in all respects and meets the City’s specifications. They have the proper license for this work. The proposed contract consists of the purchase and delivery of approximately 200 dry tons of sulfur dioxide for the fiscal year 2010-11. The City will pay only for the quantity of sulfur dioxide delivered.
EXECUTION OF CONTRACTS WITH CHEMICAL VENDORS FOR CHEMICAL PURCHASES FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

(Page 5)

The bid submitted by JCI Jones Chemicals, Inc. (Torrance, CA) for the purchase of liquid chlorine is regular in all respects and meets the City's specifications. They have the proper license for this work. The proposed contract consists of the purchase and delivery of approximately 300 tons of liquid chlorine for the fiscal year 2010-11. The City will pay only for the quantity of liquid chlorine delivered.

FINANCIAL SUMMARY

Sufficient funds are available in the following account to cover the procurement of each chemical for FY 2010-2011:

431-4331-574.30.54, Treatment plant operations materials & supplies, chemicals

The funds will be allocated as follows:

<table>
<thead>
<tr>
<th>Chemical</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ferric chloride</td>
<td>$157,000</td>
</tr>
<tr>
<td>Liquid alum</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>Aqueous ammonia</td>
<td>$13,000</td>
</tr>
<tr>
<td>Sodium hydroxide</td>
<td>$170,000</td>
</tr>
<tr>
<td>Sulfur dioxide</td>
<td>$118,000</td>
</tr>
<tr>
<td>Liquid chlorine</td>
<td>$111,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,969,000</strong></td>
</tr>
</tbody>
</table>

Future chemical purchases will be budgeted in the same account in the following fiscal years to be approved by Council through the annual budgeting process.

There is no impact to the General Fund from this action.

PREPARED BY: Toni Hoang

Respectfully submitted,

MARK J. MADISON
DIRECTOR OF MUNICIPAL UTILITIES

APPROVED BY

KEVIN O'ROURKE
INTERIM CITY MANAGER

MJM:DAA:RR:TNH
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RESOLUTION AWARDING A CONTRACT TO KEMIRA WATER SOLUTIONS, INC., IN THE AMOUNT OF $626.75 PER TON FOR THE PURCHASE OF FERRIC CHLORIDE FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

The City Clerk of the City of Stockton did, on June 3, 2010, open examine and publicly declare the sealed bids offered for the purchase of FERRIC CHLORIDE FOR THE TREATMENT OF WASTEWATER (PUR 10-037); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the specifications contained in Section 3.0 of the bid for the purchase of Chemicals for the Treatment of Waste Water (FERRIC CHLORIDE) PUR 10-037, dated May 10, 2010, are incorporated herein by reference and are hereby approved and adopted.

2. That all of said bids except that next herein mentioned are hereby rejected.

3. That the contract for the purchase of FERRIC CHLORIDE (PUR 10-037) is hereby authorized and the contract awarded to the lowest and best regular responsible bidder, to wit: KEMIRA WATER SOLUTIONS of Lawrence, Kansas, a corporation, at the price of $626.75 per ton. The contract will be for a period of three years. Each year's purchase of chemicals will be approved by the Council through the annual budgeting process.

4. That the City Manager of the City of Stockton is hereby authorized and directed to execute a contract on behalf of the City of Stockton with Kemira Water Solutions, a corporation, in accordance with the specifications and all letters of clarifications, for such work hereinabove adopted by the City Council.

5. That the City Manager is hereby authorized and directed to appropriate/transfer funds.

6. That the City Manager is hereby authorized and directed to take all actions that are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED ________________________.

ATTEST: ____________________________________________

ANN JOHNSTON, Mayor
of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
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STOCKTON CITY COUNCIL

RESOLUTION AWARDING A CONTRACT TO GENERAL CHEMICAL PERFORMANCE PRODUCTS, LLC, IN THE AMOUNT OF $342.91 PER TON FOR THE PURCHASE OF LIQUID ALUM FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

The City Clerk of the City of Stockton did, on June 3, 2010, open examine and publicly declare the sealed bids offered for the purchase of LIQUID ALUM FOR THE TREATMENT OF WASTEWATER (PUR 10-037); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the specifications contained in Section 3.0 of the bid for the purchase of Chemicals for the Treatment of Waste Water (LIQUID ALUM) PUR 10-037, dated May 10, 2010, are incorporated herein by reference and are hereby approved and adopted.

2. That all of said bids except that next herein mentioned are hereby rejected.

3. That the contract for the purchase of LIQUID ALUM (PUR 10-037) is hereby authorized and the contract awarded to the lowest and best regular responsible bidder, to wit: GENERAL CHEMICAL PERFORMANCE PRODUCTS of Parsippany, New Jersey, a corporation, at the price of $342.91 per ton. The contract will be for a period of three years. Each year’s purchase of chemicals will be approved by the Council through the annual budgeting process.

4. That the City Manager of the City of Stockton is hereby authorized and directed to execute a contract on behalf of the City of Stockton with General Chemical Performance Products, a corporation, in accordance with the specifications and all letters of clarifications, for such work hereinabove adopted by the City Council.

5. That the City Manager is hereby authorized and directed to appropriate/transfer funds.

6. That the City Manager is hereby authorized and directed to take all actions that are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED ____________________________.

ATTEST:

ANN JOHNSTON, Mayor
of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

City Atty: 
Review 
Date June 23, 2010
RESOLUTION AWARDING A CONTRACT TO THATCHER COMPANY, IN THE AMOUNT OF $676.00 PER TON FOR THE PURCHASE OF AQUEOUS AMMONIA FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

WHEREAS, the City Clerk of the City of Stockton did, on June 3, 2010, open examine and publicly declare the sealed bids offered for the purchase of AQUEOUS AMMONIA FOR THE TREATMENT OF WASTEWATER (PUR 10-037); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the specifications contained in Section 3.0 of the bid for the purchase of Chemicals for the Treatment of Waste Water (AQUEOUS AMMONIA) PUR 10-037, dated May 10, 2010, are incorporated herein by reference and are hereby approved and adopted.

2. That all of said bids except that next herein mentioned are hereby rejected.

3. That the contract for the purchase of AQUEOUS AMMONIA (PUR 10-037) is hereby authorized and the contract awarded to the lowest and best regular responsible bidder, to wit: THATCHER COMPANY of Salt Lake City, Utah, a corporation, at the price of $676.00 per ton. The contract will be for a period of three years. Each year's purchase of chemicals will be approved by the Council through the annual budgeting process.

4. That the City Manager of the City of Stockton is hereby authorized and directed to execute a contract on behalf of the City of Stockton with Thatcher Company, a corporation, in accordance with the specifications and all letters of clarifications, for such work hereinabove adopted by the City Council.

5. That the City Manager is hereby authorized and directed to appropriate/transfer funds.

6. That the City Manager is hereby authorized and directed to take all actions that are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED ________________.

ATTEST:
ANN JOHNSTON, Mayor
of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

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Resolution No. __________

STOCKTON CITY COUNCIL

RESOLUTION AWARDING A CONTRACT TO BASIC CHEMICAL SOLUTIONS, LLC, IN THE AMOUNT OF $424.23 PER TON FOR THE PURCHASE OF LIQUID SODIUM HYDROXIDE FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

The City Clerk of the City of Stockton did, on June 3, 2010, open examine and publicly declare the sealed bids offered for the purchase of LIQUID SODIUM HYDROXIDE FOR THE TREATMENT OF WASTEWATER (PUR 10-037); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the specifications contained in Section 3.0 of the bid for the purchase of Chemicals for the Treatment of Waste Water (LIQUID SODIUM HYDROXIDE) PUR 10-037, dated May 10, 2010, are incorporated herein by reference and are hereby approved and adopted.

2. That all of said bids except that next herein mentioned are hereby rejected.

3. That the contract for the purchase of LIQUID SODIUM HYDROXIDE (PUR 10-037) is hereby authorized and the contract awarded to the lowest and best regular responsible bidder, to wit: BASIC CHEMICAL SOLUTIONS, LLC of Santa Fe Springs, California, a corporation, at the price of $424.23 per ton. The contract will be for a period of three years. Each year's purchase of chemicals will be approved by the Council through the annual budgeting process.

4. That the City Manager of the City of Stockton is hereby authorized and directed to execute a contract on behalf of the City of Stockton with Basic Chemical Solutions, a corporation, in accordance with the specifications and all letters of clarifications, for such work hereinabove adopted by the City Council.

5. That the City Manager is hereby authorized and directed to appropriate/transfer funds.

6. That the City Manager is hereby authorized and directed to take all actions that are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED _________________.

ATTEST:

ANN JOHNSTON, Mayor of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton
RESOLUTION AWARDING A CONTRACT TO SIERRA CHEMICAL COMPANY, IN THE AMOUNT OF $590.72 PER TON FOR THE PURCHASE OF SULFUR DIOXIDE FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

The City Clerk of the City of Stockton did, on June 3, 2010, open examine and publicly declare the sealed bids offered for the purchase of SULFUR DIOXIDE FOR THE TREATMENT OF WASTEWATER (PUR 10-037); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the specifications contained in Section 3.0 of the bid for the purchase of Chemicals for the Treatment of Waste Water (SULFUR DIOXIDE) PUR 10-037, dated May 10, 2010, are incorporated herein by reference and are hereby approved and adopted.

2. That all of said bids except that next herein mentioned are hereby rejected.

3. That the contract for the purchase of SULFUR DIOXIDE (PUR 10-037) is hereby authorized and the contract awarded to the lowest and best regular responsible bidder, to wit: SIERRA CHEMICAL COMPANY of Stockton, California, a corporation, at the price of $590.72 per ton. The contract will be for a period of three years. Each year's purchase of chemicals will be approved by the Council through the annual budgeting process.

4. That the City Manager of the City of Stockton is hereby authorized and directed to execute a contract on behalf of the City of Stockton with Sierra Chemical Company, a corporation, in accordance with the specifications and all letters of clarifications, for such work hereinabove adopted by the City Council.

5. That the City Manager is hereby authorized and directed to appropriate/transfer funds.

6. That the City Manager is hereby authorized and directed to take all actions that are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED ________________________

ATTEST:

ANN JOHNSTON, Mayor
of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

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City Atty:
Review ____________________
Date June 23, 2010
Resolution No. __________

STOCKTON CITY COUNCIL

RESOLUTION AWARDED A CONTRACT TO JCI JONES CHEMICALS, INC., IN THE AMOUNT OF $370.00 PER TON FOR THE PURCHASE OF LIQUID CHLORINE FOR THE TREATMENT OF WASTEWATER (PUR 10-037)

The City Clerk of the City of Stockton did, on June 3, 2010, open examine and publicly declare the sealed bids offered for the purchase of LIQUID CHLORINE FOR THE TREATMENT OF WASTEWATER (PUR 10-037); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the specifications contained in Section 3.0 of the bid for the purchase of Chemicals for the Treatment of Waste Water (LIQUID CHLORINE) PUR 10-037, dated May 10, 2010, are incorporated herein by reference and are hereby approved and adopted.

2. That all of said bids except that next herein mentioned are hereby rejected.

3. That the contract for the purchase of LIQUID CHLORINE (PUR 10-037) is hereby authorized and the contract awarded to the lowest and best regular responsible bidder, to wit: JCI JONES CHEMICALS, INC. of Torrance, California, a corporation, at the price of $370.00 per ton. The contract will be for a period of three years. Each year's purchase of chemicals will be approved by the Council through the annual budgeting process.

4. That the City Manager of the City of Stockton is hereby authorized and directed to execute a contract on behalf of the City of Stockton with JCI Jones Chemicals, a corporation, in accordance with the specifications and all letters of clarifications, for such work hereinabove adopted by the City Council.

5. That the City Manager is hereby authorized and directed to appropriate/transfer funds.

6. That the City Manager is hereby authorized and directed to take all actions that are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED ________________________.

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

ANN JOHNSTON, Mayor
of the City of Stockton

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