

ITEM #: 22
DATE: 05-09-23
DEPT: WPC/ELECT

COUNCIL ACTION FORM

SUBJECT: AWARD YEAR 2 OF LIQUID SODIUM HYPOCHLORITE PURCHASE CONTRACT FOR WATER TREATMENT PLANT AND POWER PLANT

BACKGROUND:

On December 13, 2022, City Council awarded a contract for the purchase of liquid sodium hypochlorite, which is used for disinfection in the water treatment process at the Water Plant and treatment of cooling tower water at the Power Plant. The initial contract period was from January 1, 2023, through June 30, 2023, at \$2.27 per gallon. The contract offered one optional renewal for 12 months from July 1, 2023, through June 30, 2024.

Staff is recommending approval of Year Two of the contract with Rowell Chemical Corp. of Hinsdale, IL. **The cost for the FY 2023/24 renewal period will remain \$2.27 per gallon.** The Water Plant estimates a usage of 65,000 gallons of liquid sodium hypochlorite in FY 2023-24 and the Power Plant estimates its usage will be 20,000 gallons. The combined estimated usage of 85,000 gallons yields a total contract value of \$192,950 (\$147,550 for Water Plant and \$45,400 Power Plant).

The FY 2023/24 Water Plant operating budget includes \$112,560 for the purchase of liquid sodium hypochlorite, and the Power Plant budget includes \$42,000. **The operating budgets for Water Plant and Power Plant will need to be revised during the mid-year budget adjustment in order to identify offsetting savings to cover these overages.**

ALTERNATIVES:

1. Award Year Two of the contract in the amount of \$192,950 for the purchase of liquid sodium hypochlorite in FY 2023/24 to Rowell Chemical Corp. of Hinsdale, IL.
2. Do not award Year Two of the contract, and direct staff to solicit new bids for the purchase of liquid sodium hypochlorite.

CITY MANAGER'S RECOMMENDED ACTION:

Liquid sodium hypochlorite is an essential treatment chemical, as it provides the final disinfectant barrier that keeps drinking water and cooling tower water safe from microbial contaminants. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.