



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Adopt Resolution Authorizing Purchase of Process Chemical Sodium Hydroxide for White Slough Water Pollution Control Facility from Basic Chemical Solutions, of Santa Fe Springs (\$55,500) and Authorizing City Manager to Approve Additional Purchases

MEETING DATE: August 15, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution authorizing the purchase of the process chemical sodium hydroxide from Basic Chemical Solutions (BCS), of Santa Fe Springs, California, for use at the White Slough Water Pollution Control Facility (WSWPCF) in the amount of \$55,500 and authorizing the City Manager to approve additional purchases.

BACKGROUND INFORMATION: The process chemical bid for sodium hydroxide was pursued June 7, 2006, and awarded to BCS by Resolution No. 2006-147 on August 2, 2006. BCS was the only bidder to respond. The sodium hydroxide, also known as caustic soda, is needed to maintain effluent pH within discharge compliance limits.

Although the bid price reflected in their June 28, 2006 bid proposal was \$2.252 per gallon, BCS has been delivering the chemical for \$2.09 per gallon. On July 10, 2007, BCS notified the City by letter that they would be passing along an \$0.18 per gallon price increase due to increased product and delivery costs.

In this same letter, BCS proposes to reduce the anticipated increase by \$0.05 per gallon, if the size of the storage tank can be increased to 1,500 gallons at no charge to the City, thereby reducing the proposed cost increase to \$0.13 per gallon. The cost per gallon for the additional year will increase to \$2.22 per gallon (\$0.032 per gallon less than the original bid price). Based on an estimated sodium hydroxide usage of 25,000 gallons per year, the total cost of the purchase is estimated at \$55,500.

The effort BCS has made to provide their product below the original June 28, 2006 bid price indicates the company's desire to maintain a business relationship with the City by controlling costs. For this reason, staff recommends Council adopt a resolution authorizing the purchase of the process chemical sodium hydroxide from Basic Chemical Solutions and authorizing the City Manager to approve additional purchases if cost increases do not exceed the west urban-not seasonally adjusted consumer price index as published by the U.S. Department of Labor.

FISCAL IMPACT: The cost is based on an estimated annual sodium hydroxide demand of 25,000 gallons. Because the annual usage may vary depending on the quantity and strength of the wastewater treated, the annual cost may vary also. The operating budget has sufficient funds available to cover these purchases.

FUNDING AVAILABLE: The money for these purchases will be coming from the WSWPCF Operating Budget in the current 2007/08 budget.

Kirk Evans, Budget Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Del Kerlin, Wastewater Treatment Superintendent
RCP/DK/dk

cc: City Attorney

Water Services Manager

Wastewater Treatment Superintendent

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE PURCHASE OF THE PROCESS CHEMICAL SODIUM HYDROXIDE FROM BASIC CHEMICAL SOLUTIONS, OF SANTA FE SPRINGS, CALIFORNIA, FOR USE AT THE WHITE SLOUGH WATER POLLUTION CONTROL FACILITY AND AUTHORIZING THE CITY MANAGER TO APPROVE ADDITIONAL PURCHASES

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WHEREAS, on June 28, 2006, the City of Lodi solicited process chemical bids from Basic Chemical Solutions (BCS) and Sierra Chemical Company for the delivery of sodium hydroxide to the White Slough Water Pollution Control Facility. BCS, of Santa Fe Springs, California, was awarded the bid for Fiscal Year 2006/07; and

WHEREAS, staff recommends the City Council approve the purchase in the amount of \$55,500, from BCS to provide the process chemical sodium hydroxide at a proposed cost increase of \$0.13 per gallon based on report to Council, for Fiscal Year 2007/08 for the White Slough Water Pollution Control Facility.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the purchase in the amount of \$55,500 from Basic Chemical Solutions to provide the process chemical sodium hydroxide for Fiscal Year 2007/08 for the White Slough Water Pollution Control Facility.

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to approve additional purchases, if cost increases do not exceed the west urban-not seasonally adjusted consumer price index as published by the U.S. Department of Labor.

Dated: August 15, 2007

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I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 15, 2007, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk