

2.7 Actions Related to the Purchase Orders with Kemira Water Solutions, Inc. for Ferrous Chloride.


Recommendation:

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Amend purchase order OP 63602 with Kemira Water Solutions, Inc. (Lawrence, KS) for ferrous chloride, to increase the total compensation by \$286,020 for a maximum compensation not-to-exceed \$1,673,025 for the period ending June 30, 2024; and
- (b) Execute additional annual purchase orders for ongoing ferrous chloride purchases pursuant to competitive solicitations facilitated by the Bay Area Chemical Consortium, subject to the appropriation of funds.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended)
resulting in no physical changes to the environment. (Finance)

CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment	Coordination: City Attorney's Office, City Manager's Budget Office, Department of Transportation	Dept. Approval: /s/ Rick Bruneau
Council District(s): Citywide			CMO Approval:  1/23/24

SUBJECT: ACTIONS RELATED TO THE PURCHASE ORDERS FOR FERROUS CHLORIDE

RECOMMENDATION:

Adopt a resolution authorizing the City Manager or her designee to:

- a) Amend purchase order OP 63602 with Kemira Water Solutions, Inc. (Lawrence, KS) for ferrous chloride, to increase the total compensation by \$286,020 for a maximum compensation not-to-exceed \$1,673,025 for the period ending June 30, 2024; and
- b) Execute additional annual purchase orders for ongoing ferrous chloride purchases pursuant to competitive solicitations facilitated by the Bay Area Chemical Consortium, subject to the appropriation of funds.

Desired Outcome: Authorizing the City Manager or her designee to take this action provides the City with ferrous chloride to use for hydrogen sulfide control in sanitary systems.

BASIS FOR RECOMMENDATION:

The Department of Transportation manages some of the City's sanitary systems. Hydrogen sulfide, a colorless and irritant gas, is a natural byproduct of the breakdown process of organic matter in sewers. To control the occurrence of this gas and mitigate its harmful effects on humans and animals, the Department of Transportation injects ferrous chloride into the sanitary systems.

The City leveraged a competitive solicitation facilitated by the Bay Area Chemical Consortium to procure ferrous chloride. The Bay Area Chemical Consortium is a local cooperative that seeks competitive bids for chemical contracts for public agencies. The City's use of this cooperative agreement is consistent with San José Municipal Code Section 4.12.225.B.3, Public Agencies Purchases. The increase in requested funds for this purchase order term is due to a significant increase in chemical costs over the previous fiscal year. Staff reviewed the increased demand and revised estimates to meet current operating conditions. Approval of this recommendation ensures the City continues to receive this essential chemical with minimal impact to operations.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

COST AND FUNDING SOURCE:

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Recommendation	2023-2024 Adopted Operating Budget Pg.	Last Budget Action (Date, Ord. No)
541	0512	Non-Personal/Equipment	\$11,866,346	\$286,020	1057	10/17/2023, 30966

FOR QUESTIONS CONTACT: Albie Udom, Deputy Director of Finance – Purchasing & Risk Management, at Albie.Udom@sanjoseca.gov.