

WEST BASIN MUNICIPAL WATER DISTRICT

MARCH 3, 2004 - Water Resources
 McDonald, Little
MARCH 22, 2004 - Board Meeting
 Prepared by: Van M. Jew
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 Approved by: Darryl G. Miller

ACTION CALENDAR

SODIUM HYDROXIDE AND SULFURIC ACID
CHEMICAL CONTRACTS

SUMMARY:

Sodium hydroxide is a source of alkalinity and is used in the nitrification treatment process of recycled water. West Basin uses sodium hydroxide at the Chevron Nitrification, Exxon-Mobil Nitrification Feed, and the Juanita Millender-McDonald Carson Regional Water Recycling Plants.

Sulfuric acid is used for the pH adjustment of feed water to the reverse osmosis processes located at the West Basin Plant, Exxon-Mobil Boiler Feed Plant, and the Juanita Millender-McDonald Carson Regional Water Recycling Plant.

The contracts to deliver and supply both chemicals will expire on April 21, 2004. Staff recommends awarding new contracts through June 30, 2005 to coincide with the end of the fiscal year.

Based on the Board's direction last year for staff to look at exploring longer term contracts, staff issued "Request for Bids" that included different contract durations. The unit price bid results for the shorter term contracts (approximately 14 months) were lower by 6-7% than for the longer term contracts (approximately 26 months). The higher prices for the longer term contracts reflect the chemical suppliers' sentiment that the price for these chemicals will rise next year. Staff recommends that we enter the shorter term agreement at the lower unit prices and let the market dictate unit prices the following year rather than entering into a longer term agreement at higher unit prices.

Sodium Hydroxide

For the shorter term supply and delivery of sodium hydroxide, staff received a total of five (5) bids as summarized in Exhibit "A." Pioneer Americas, LLC was the lowest responsible bidder. Based on Pioneer America's unit prices and the estimated District sodium hydroxide requirements through June 30, 2005, the maximum value of the new contract is estimated at \$160,000. Actual required chemical quantities will vary depending on the volume and quality of the recycled water received from Hyperion. The weighted unit price is a 13% decrease as compared to the weighted unit prices under our current contract:

	Weighted Unit Price (\$ per dry pound)
Current Vendor	0.1776
Pioneer	0.1547

Sulfuric Acid

For sulfuric acid, staff received a total of three (3) bids as summarized in Exhibit "A." Equapac was the lowest responsible bidder. Based on Equapac's unit prices and the estimated District sulfuric acid requirements through June 30, 2005, the maximum value of the new contract is estimated at \$325,000. Actual required chemical quantities will vary depending on the volume and quality of the recycled water received from Hyperion. The weighted unit price is a 1% decrease as compared to the weighted unit prices under our current contract:

	Weighted Unit Price (\$ per ton)
Current Vendor	66.3213
Equapac	65.4425

FISCAL IMPACTS:

Funds are available in the Operations and Maintenance Budget for fiscal years 2003-04 and 2004-05.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on March 3, 2004 and recommended for approval at the March 22, 2004 Board meeting.

RECOMMENDED MOTION:

Authorize the General Manager to enter into an agreement from April 22, 2004 through June 30, 2004 with:

- 1) Pioneer Americas, LLC to supply and deliver liquid sodium hydroxide at the unit prices specified in Exhibit "A". The maximum value of the contract is estimated at \$160,000; and
- 2) Equapac to supply and deliver sulfuric acid at the unit prices specified in Exhibit "A". The maximum value of the contract is estimated at \$325,000.

EXHIBITS:

Exhibit "A" - Unit Price Bid Results