

WEST BASIN MUNICIPAL WATER DISTRICT

MAY 9, 2006 - Water Resources

Little, Baker

MAY 22, 2006 - Board Meeting

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Approved by: Rich Nagel

ACTION CALENDAR

CHEMICAL SUPPLY AND DELIVERY CONTRACTS

SUMMARY:

Staff issued a "Request for Bids" (RFB) for the supply and delivery of the following six chemicals to be used at the District's various treatment plants: ferric chloride, hydrogen peroxide, sodium bisulfite, sodium hydroxide, sodium hypochlorite, and sulfuric acid. A comparison of weighted unit price of what the District currently pays and the recently received low-bid results are as follows:

Chemical	Current Price Paid by West Basin	Proposed Award Price	Price change
ferric chloride	\$335.58 per ton	\$410.00/ton	up 22%
hydrogen peroxide	n/a*	\$5.99/gallon	n/a*
sodium bisulfite	\$0.1716/lbs.	\$0.2696/lbs.	up 57%
sodium hydroxide	\$0.2563/lbs.	\$0.2128/lbs.	down 17%
sodium hypochlorite	\$0.679/gallon	\$0.600/gallon	down 12%
sulfuric acid	\$73.708/ton	\$69.80	down 5%

* - new chemical, 1st time bid by District

Sharp Increase in Price of Sodium Bisulfite

The District's last bid on sodium bisulfite (SBS) was two years ago. Since then, caustic soda (a raw material in the manufacturing of SBS) and sulfur (used in the manufacturing process of SBS) have seen significant price increases. Additionally, energy costs (railcar and truck freight costs) have also increased significantly. These factors combined have resulted in the 57% increase in the bid price of SBS.

Contractual Needs

Based on the estimated chemical usage by the District and the low-bidder's unit price, the following is the estimated chemical need (in dollars) through June 30, 2007:

Chemical	Estimated Need (in dollars)	Low Bidder
ferric chloride	\$738,000	Kemiron**
hydrogen peroxide	\$285,000	US Peroxide
sodium bisulfite	\$80,000	Basic Chemical**
sodium hydroxide	\$90,000	Pioneer Americas**
sodium hypochlorite	\$745,000	Pioneer Americas**
sulfuric acid	\$252,000	Equa-Chlor

** - current supplier

A complete summary of bid results are attached as Exhibit "A."

FISCAL IMPACTS:

Funds are available in the Operations and Maintenance Budget for fiscal year 2006-07.

ENVIRONMENTAL COMPLIANCE:

Not required.

COMMITTEE STATUS:

The item will be reviewed by the Water Resources Committee on May 9, 2006 and was recommended for approval at the May 22, 2006 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to award chemical contracts to:

1. Kemiron to supply and deliver ferric chloride from July 1, 2006 through June 30, 2007 at the unit prices as specified in Exhibit "A" for a total not-to-exceed amount of \$811,800 (\$738,000 estimated need, plus 10% for contingencies);
2. U.S. Peroxide to supply and deliver hydrogen peroxide through June 30, 2007 at the unit prices as specified in Exhibit "A" for a total not-to-exceed amount of \$313,500 (\$285,000 estimated need, plus 10% for contingencies);
3. Basic Chemical Solutions to supply and deliver sodium bisulfite from July 1, 2006 through June 30, 2007 at the unit prices as specified in Exhibit "A" for a total not-to-exceed amount of \$88,000 (\$80,000 estimated need, plus 10% for contingencies);
4. Pioneer Americas to supply and deliver sodium hydroxide and sodium hypochlorite from July 1, 2006 through June 30, 2007 at the unit prices as specified in Exhibit "A" for total not-to-exceed amounts of \$99,000 (\$90,000 estimated need, plus 10% for contingencies) and \$819,500 (\$744,000 estimated need, plus 10% for contingencies), respectively; and
5. Equa-Chlor to supply and deliver sulfuric acid from July 1, 2006 through June 30, 2007 at the unit prices as specified in Exhibit "A" for a total not-to-exceed amount of \$277,200 (\$252,000 estimated need, plus 10% for contingencies);

EXHIBITS:

Exhibit "A" - Bid Results