

WEST BASIN MUNICIPAL WATER DISTRICT

NOVEMBER 16, 2006 –Water Resources
 Little, Kwan
NOVEMBER 27, 2006 – Board Meeting
 Prepared by: Wyatt Won
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 Approved by: Rich Nagel

ACTION CALENDAR

SULFURIC ACID AGREEMENT

SUMMARY:

Last spring West Basin issued a “Request for Bids” (RFB) for sulfuric acid. In response to the RFB, the District received two bids. The lowest bidder was Equa-Chlor. They were awarded a contract to supply and deliver sulfuric acid to three of the District’s facilities, the West Basin Water Recycling Plant (WBWRP) in El Segundo, the ExxonMobil Boilerfeed Plant, and the Juanita Millender-McDonald Carson Regional Water Recycling Plant (JMMCRWRP), starting last July. West Basin’s facilities operate around the clock and require continuous supplies of chemicals, including sulfuric acid. Delayed delivery, or non-delivery of chemicals, jeopardizes treatment processes, quality control and regulatory compliance.

There have been several instances since the implementation of the agreement where sulfuric acid was not delivered when ordered forcing West Basin to order acid from another vendor. Specifically, on August 14, 2006 Equa-Chlor postponed a scheduled delivery of sulfuric acid. On October 31, 2006 Equa-Chlor again notified West Basin that it could not deliver sulfuric acid scheduled for the next day. West Basin had to order acid from another vendor. On Thursday November 2, 2006, West Basin staff had a telephone conversation with Equa-Chlor’s regional manager stating that West Basin may take action if Equa-Chlor misses another delivery. Subsequently, the District received notice on November 3, 2006 that Equa-Chlor would not be able to make scheduled sulfuric acid deliveries the following Monday and Tuesday.

The District has three options to consider in moving forward:

1. Continue with the agreement with Equa-Chlor until it expires in June 2007.
2. Terminate the agreement with Equa-Chlor and issue a new RFB for sulfuric acid. The agreement can be terminated with 60 days notice.
3. Terminate the agreement with Equa-Chlor and award a new contract for sulfuric acid with the second lowest bidder, Basic Chemical Services (BCS). BCS is willing to supply sulfuric acid at \$79.00 per ton to WBWRP and JMMCRWRP and \$83.00 per ton to the ExxonMobil plant.

For reference the bids received this last spring are summarized in the following table:

Firm	Average \$/ton	Comments
Equa-Chlor	\$69.80	\$69.80 per ton to all three facilities
Basic Chemical Solutions	\$71.48	\$71.00 per ton to WBWRP and JMMCRWRP and \$74.84 per ton to ExxonMobil

The price of sulfuric acid has gone up in the last six months because of the cost of sulfur, and transportation costs have increased over that time period.

FISCAL IMPACTS:

Funds for sulfuric acid are included in Fiscal Year 2006-07 operations and maintenance budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on November 16, 2006 and recommended for approval at the November 27, 2006 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to terminate the agreement with Equa-Chlor and issue a new RFB for sulfuric acid. The agreement can be terminated within 60 days notice.

LIST OF EXHIBITS:

None.

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