

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION APPROVING FINDINGS TO SUPPORT AND JUSTIFY AN EXCEPTION TO THE COMPETITIVE BIDDING PROCESS; AUTHORIZING AN APPROPRIATION OF \$210,000 FROM THE WASTEWATER UTILITY FUND BALANCE FISCAL YEAR 2021-22 BUDGET; AND AUTHORIZING A CONTRACT WITH KEMIRA WATER SOLUTIONS FOR THE PURCHASE OF FERRIC AND FERROUS CHLORIDE

The Regional Wastewater Control Facility (RWCF) uses various chemicals as part of the wastewater treatment process that reduce hazardous conditions and remove specific impurities. These chemical and physical changes are necessary to meet wastewater permit requirements; and

On May 21, 2021, by Motion No. 2021-05-25-1206, Council authorized the City Manager to award and execute a Contract with Thatcher Company of California, in the amount of \$309,200, as part of the Bay Area Chemical Consortium (BACC) bid process, for the purchase of ferric chloride for wastewater treatment; and

In July 2021, Thatcher informed the MUD their supplier had declared force majeure on their production of ferric chloride due to a nationwide shortage of hydrochloric acid, a catalyst compound necessary for producing ferric chloride. A contract change order was executed in August 2021 to allow for the purchase of a substitute chemical, ferrous chloride; and

On September 28, 2021, Thatcher informed the MUD they would not be able to deliver either ferric or ferrous chloride. Staff contacted other BACC respondents to explore contract options. Only Kemira responded and confirmed the company was willing to enter into a contract with the City and had supplies of both ferric and ferrous chloride available at the quantities needed by the RWCF; and

Kemira Water Solutions owns its chemical production facility and is capable meeting the supply needs of the City; and

In October 2021 an emergency purchase order with Kemira up to the City Manager's spending limit was approved; and

The Fiscal Year 2021-22 expenditure budget does not include sufficient funds to purchase supplies of ferric or ferrous chloride through the end of the fiscal year ; and

Appropriation from the fund balance is necessary to ensure adequate funds are available for purchase of these chemical for wastewater treatment during Fiscal Year 2021-22; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Council approves the following findings pursuant to Stockton Municipal Code section 3.68.070, which support and justify an exception to the competitive bidding process for the purchase of ferric and ferrous chloride:

- a. The current contracted company, Thatcher Company of California, is unable to provide the chemicals under their contract.
- b. The San Joaquin Valley Air Pollution Control District requires control of the formation of hydrogen sulfide in the digesters. The RWCF cannot control hydrogen sulfide production without adding either ferric or ferrous chloride and could be in violation of their permit.
- c. The other respondents from the BACC bid were contacted to enter into a contract on two separate occasions. Only Kemira responded to the MUD's inquiries.
- d. There are no other companies capable of, or willing to, provide ferric or ferrous chloride to the City.
- e. Kemira owns its production facility and is not dependent on by-products from other industries.
- f. Kemira has a previous history of reliable service to the City.

2. The City Manager, or designee, is hereby authorized to amend the Fiscal Year 2021-22 Annual Budget to appropriate \$210,000 from the Wastewater Utility Fund Balance to the Wastewater Treatment Plant Operations, Chemicals account.

3. The City Council authorizes the City Manager to execute a five-year contract with Kemira Water Solutions, Exhibit 1 attached and incorporated by this reference, for the purchase of ferric chloride and ferrous chloride for wastewater treatment.

4. The City Manager or designee is hereby authorized to take appropriate and necessary actions to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED March 22, 2022.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton