SUBJECT: Authorization to Modify an Existing Contract for Chlorine at the Water Pollution Control Plant (F13-20)

BACKGROUND
Approval is requested to modify an existing contract with Sierra Chemical Company of Sparks, Nevada to supply chlorine for use by the Water Pollution Control Plant (WPCP) by increasing the not-to-exceed value of the contract from $90,000 to $107,000. The recommended increase is necessary to ensure required effluent treatment.

The 2011 bid for the current contract provided for two additional one-year renewals based upon acceptable pricing and service. Though pricing is expected to increase for the next contract period due to the rising cost of raw materials, service with this supplier is acceptable. Additionally, Sierra Chemical was the only bidder in 2011 and there are very few known suppliers of this hazardous product. Therefore, approval is also requested to renew the contract one additional year for $110,000, and to delegate authority to the City Manager to exercise the final year renewal option provided for under the 2011 bid.

DISCUSSION
Chlorine is used by the WPCP to disinfect the treated wastewater prior to discharge in the Moffett channel, or for reuse in the city’s recycled water system. Pathogen reduction through disinfection is required by WPCP’s National Pollutant Discharge Elimination System (NPDES) permit that specifies specific water quality requirements for discharge of treated wastewater. If the Plant fails to meet these requirements at any time, the City of Sunnyvale may be subject to penalties and/or administrative orders.

Invitation for Bids (IFB) No. F1110-23 was issued October 14, 2011 (Sierra Chemical was the only bidder), and a blanket purchase order was established under the City Manager’s contract award authority to Sierra Chemical in the amount of $90,000 to supply the WPCP with chlorine cylinders. This blanket order is due to expire on November 17, 2012. Based on the prior year’s chlorine use, it was anticipated that the $90,000 contract amount would be sufficient for a one year period. However, the secondary treatment ponds performance has been less than optimal over the past few months, resulting in the need for downstream processes such as disinfection to make up for that performance. (The WPCP uses natural treatment processes of oxidation ponds for the biological removal of organic matter and breakdown of ammonia.) The ammonia levels in the pond effluent have been higher than typical, resulting in additional chlorine usage to breakdown the ammonia, in addition to being used for disinfection.
FISCAL IMPACT
The total value of the Sierra Chemical blanket purchase order will increase from $90,000 to $107,000, ensuring the required level of wastewater treatment over the next month. Budgeted funds for the current contract, and the next two renewal years, are available in the Wastewater Management operating program 365.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

RECOMMENDATION
It is recommended that Council:

1. Approve modification of the existing Blanket Purchase Order with Sierra Chemical Company, in substantially the same form as the attached draft Change Order, by increasing the not-to-exceed value from $90,000 to $107,000;
2. Renew the contract for an additional one-year period in an amount not-to-exceed $110,000; and
3. Delegate authority to the City Manager to renew the contract for an additional one-year period consistent with the terms of IFB No. F1110-23, provided pricing and service remain acceptable to the City.

Reviewed by:

Grace K. Leung, Director of Finance
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

John Stufflebean, Director of Environmental Services

Approved by:

Gary M. Luebbers
City Manager

Attachments
A. Draft Change Order to Blanket Purchase Order
# Draft Blanket Purchase Order

**City of Sunnyvale, California**

**ATTACHMENT A**

**Draft Blanket Purchase Order No BL003479**

**ORDERED FROM**
07024 - 001
Sierra Chemical Co
2302 Larkin Circle
Sparks, NV 89431
(702) 358-0888

**ORDER DATE**
11/18/2011

**BILL TO:**
City of Sunnyvale
Finance Department
Accounts Payable
PO Box 3707
Sunnyvale, CA 94088-3707

**DATE**
07024 - 001

**EFFECTIVE DATE**
11/18/2011

**EXPRIATION DATE**
11/17/2012

**CONTRACT AMOUNT**
$107,000.00

**REQUISITIONING DEPARTMENT**
(9042) ESD/WPCP - Operations

**FOB**
DEST

**FREIGHT CHARGES**
Destination, freight included in price

**PAYMENT TERMS**
N/30

**ITEM** | **DESCRIPTION** | **UNIT** | **UNIT COST** |
--- | --- | --- | --- |
1 | Provide Liquid Chlorine and Sulfur Dioxide per Invitation For Bids F1110-23 specifications, terms and conditions and bidders response, which are incorporated herein by this reference. Liquid Chlorine, one ton cylinder, $474.57/Ton | TN | $1.0000 |
2 | Liquid Sulfur Dioxide, one ton cylinder, $498.20/Ton | TN | $1.0000 |

**Ship to:**
City of Sunnyvale
WPCP
1444 Borregas Avenue
Sunnyvale, CA 94089

This order cancels and replaces BL002829
Purchase Requisition # RQ008767

Change Order #1: Increase contract amount from $90,000.00 to $107,000.00
Requisition Number: RQ010297

Approved by City Council 10/16/2012, RTC

**AUTHORIZED DEPARTMENT(S)**

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<thead>
<tr>
<th>NO</th>
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<tr>
<td>9042</td>
<td>ESD/WPCP - Operations</td>
<td>$107,000.00</td>
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DOCUMENT TERMS

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 10/8/2010, a copy of which is attached and incorporated by reference (Form TCBPO-G). Invoices must be sent directly to Accounts Payable at the address above and must reference the purchase order number. Failure to comply will result in a delay in payment processing.

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<tr>
<td>Howard, Dreama</td>
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<table>
<thead>
<tr>
<th>PHONE</th>
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<tr>
<td>(408) 730-7396</td>
<td>(408) 730-7710</td>
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