

**THE UNIFIED GOVERNMENT OF ATHENS-CLARKE COUNTY
COMMISSION AGENDA ITEM**

SUBJECT: Bulk Chemical Contracts for PUD - WTP & WRFs

DATE: April 27, 2022

BUDGET INFORMATION:

REVENUE:	\$ 320,000	FY22 J.G. Beacham WTP Operating– Supplies – Chemical
	\$ 582,500	FY22 North Oconee WRF Operating– Supplies – Chemical
	\$ 175,000	FY22 Middle Oconee WRF Operating– Supplies - Chemical
	<u>\$ 145,300</u>	<u>FY22 Cedar Creek WRF Operating– Supplies – Chemical</u>
	\$1,222,800	FY22 Available Operating Budget – Supplies - Chemical

EXPENSES:		
OPERATING:	<u>\$ 923,989</u>	Encumbered/Expensed Services, Chemicals
	\$ 298,811	Available for all Chemical Contracts (balance of FY22)

FUNDING SOURCE: Water and Sewer Enterprise Fund

COMMISSION ACTION REQUESTED ON: June 7, 2022

PURPOSE:

To request the Mayor and Commission:

- a. Approve one-year unit-price contracts (with up to four annual renewals) with the selected apparent low bidders:
 - ChemTrade Chemicals, LLC for Liquid Alum;
 - Carus, LLC for Blended Phosphate;
 - Pencco, Inc. for Hydrofluorosilicic Acid;
 - Brenntag Mid-South Inc. for Activated Carbon Powder;
 - Univar Solutions USA, Inc. for Bulk Industrial Salt and Sodium Hypochlorite; and
- b. Authorize the Mayor and appropriate staff to execute all contracts and related documents.

HISTORY:

1. On September 7, 2004, the Mayor and Commission (M & C) approved an appropriation in the amount of \$40,666,355 for the construction and upgrade of the J.G. Beacham Water Treatment Plant (WTP).

2. On July 1, 2008, the M & C approved an appropriation in the amount of \$38,301,800 for construction of the Cedar Creek Water Reclamation Facility (WRF).
3. On July 1, 2008, the M & C approved an appropriation in the amount of \$107,295,955 for construction of the North Oconee WRF.
4. On August 5, 2008, the M & C approved an appropriation in the amount of \$57,659,600 for the construction and upgrade of the Middle Oconee WRF.
5. On May 5, 2021, Chemtrade Chemicals requested an 8.6% price increase on Liquid Alum to be effective on July 1, 2021. This request was based on the increased costs of transportation.
6. On November 30, 2021, Carus, LLC requested an additional 61.4% price increase on Blended Phosphate to be effective on January 1, 2022. This request was based on the price increases in energy costs for production, transportation costs, and lower availability of raw materials as China has halted exports of phosphate through June 2022.
7. On November 30, 2021, Chemtrade Chemicals requested an additional 22.6% price increase on Liquid Alum to be effective on January 1, 2022. The requested price increase was due to factors including raw material and transportation price increases. Sulfuric Acid, a key raw material, has seen a 165% price increase in the last year. Availability of qualified and safe drivers has also decreased significantly during the last year.
8. On December 10, 2021, based on requested price increases and the recommendation of the ACCGov Purchasing Division, PUD requested formal sealed solicitation of bulk chemicals.
9. On March 11, 2022, the Purchasing Division issued BID #01062 for bulk chemicals used at the water treatment plant and water reclamation facilities.
10. On March 25, 2022, nine chemical vendors bid on the bulk chemicals in response to BID #01062.

FACTS & ISSUES:

1. The WTP and WRFs use several chemicals in their processes for treatment to meet Federal and State regulations. The WTP uses chemicals to treat raw water into potable drinking water for delivery to the rate payers of ACC. The WRFs use chemicals to assist in the biological treatment of the wastewater prior to discharging to waters of the State. Below are the chemicals and their uses in the treatment processes.
 - As a coagulant and flocculant, alum removes turbidity, total organic carbon (TOC), suspended solids and colloidal color and reduces biochemical oxygen demand (BOD). The WTP and the three WRFs use on average 1,175 dry tons of Alum per year.
 - The WTP uses an average of 10,000 gallons of Blended Phosphate per year. As a corrosion inhibitor, blended phosphate effectively controls corrosion in ferrous and non-ferrous metals and alloys that are in found in water distribution system piping.

- Salt is used at the WTP for the onsite generation of Sodium Hypochlorite. Sodium Hypochlorite is used to provide disinfection at the WTP and to provide a disinfection residual in the distribution system. Three hundred tons of salt per year are used in this process.
 - The WTP uses 82 tons of Hydrofluorosilicic Acid on average per year in accordance with the State of Georgia Rules and Regulations. Hydrofluorosilicic Acid is the most commonly used method for providing fluoride to water treatment.
 - The WTP and the three WRFs use an average of 27,000 gallons of Sodium Hypochlorite per year. The WTP uses it as a secondary disinfection if the primary system is not in service. The three WRFs use it in their in-plant non-potable re-use systems for disinfection use.
 - Powdered Activated Carbon is used to remove compounds that result in taste and odor problems and to provide clean and pleasing water to the ratepayers of ACC. The WTP uses 10 tons per year of Powdered Activated Carbon for this process.
2. Nine bidders for BID #01062 were deemed responsive to qualifications. A tabulation of the unit-price bids received is in **Attachment #1**.
 3. The Public Utilities Department recommends the apparent low bidders for each of the following chemicals:

Chemical	Company	Bid Price
Aluminum Sulfate	Chemtrade Chemicals US, LLC	\$ 438,875 @ \$365/dry ton
Blended Phosphate	Carus, LLC	\$ 95,760 @ \$9.576/ gallon
Bulk Industrial Salt	Univar Solutions USA, Inc.	\$ 79,200 @ \$264/ton
Hydrofluorosilicic Acid	Sterling Water Technologies, LLC	\$ 36,244 @ \$442/ton
Sodium Hypochlorite	Univar Solutions USA, Inc.	\$ 69,390 @ \$2.57/gallon*
	Univar Solutions USA, Inc.	\$ 91,800 @ \$3.40/ tote*
Activated Carbon	Brenntag Mid-South Inc.	\$ 19,800 @ \$1,980/ton

*Cedar Creek Water Reclamation uses totes. The three other facilities use bulk Sodium Hypochlorite.

4. With the market volatility of these products and with recommendation of Purchasing, PUD may accept quarterly price increases. These increases are dependent on justification from the product vendor if received 30 days prior to the next quarter.
5. This recommendation is consistent with the M & C Strategic Commitments:
 - Healthy, Livable, Sustainable Athens-Clarke County
 - Safe and Prepared Community

OPTIONS:

1. Mayor and Commission:
 - a. Approve one-year unit-price contracts (with up to four annual renewals) with the selected apparent low bidders:
 - ChemTrade Chemicals, LLC for Liquid Alum;
 - Carus, LLC for Blended Phosphate;
 - Pencco, Inc. for Hydrofluorosilicic Acid;
 - Brenntag Mid-South Inc. for Activated Carbon Powder;
 - Univar Solutions USA, Inc. for Bulk Industrial Salt and Sodium Hypochlorite; and
 - b. Authorize the Mayor and appropriate staff to execute all contracts and related documents.
2. Mayor and Commission deny the request.
3. Mayor and Commission defined option.

DEPARTMENT RECOMMENDED ACTION: Option 1 a & b

DEPARTMENT: Public Utilities

Prepared by: Hollis Terry IV



Hollis Terry IV

4/27/22
Date:

ADMINISTRATIVE COMMENTS:

ADMINISTRATIVE RECOMMENDATION: Option 1 a & b



Manager

May 11, 2022
Date:

ATTACHMENTS:

Attachment # 1 - Bid

Bid # 01062 Public Utilities Bulk Chemicals for the Athens-Clarke County Public Utilities Water Reclamation Plants and J.G. Beacham Water Treatment Plant												
Vendor	Aluminum Sulfate		Blended Phosphate		Bulk Industrial Salt		Hydrofluorosilic Acid		Sodium Hypochlorite		Activated Carbon Powder	
	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
Brenntag Mid-South Inc.	No Bid		No Bid		No Bid		No Bid		No Bid		\$0.99 /lb	\$19,800.00
C&S Chemicals	\$490.00 /dry ton	\$575,750.00	No Bid		No Bid		No Bid		No Bid		No Bid	
Carus, LLC	No Bid		\$9.576 /gal	\$95,760.00	No Bid		No Bid		No Bid		No Bid	
Chemtrade Chemicals US, LLC	\$365.00 /dry ton	\$438,875.00	No Bid		No Bid		No Bid		No Bid		No Bid	
GZO Technologies, LLC	\$502.50 /dry ton	\$590,437.50	No Bid		No Bid		No Bid		No Bid		No Bid	
Penco, Inc.	No Bid		No Bid		No Bid		\$442.00 /ton	\$36,244.00	No Bid		No Bid	
Shannon Chemical Corporation	No Bid		\$14.14 /gal	\$141,400.00	No Bid		No Bid		No Bid		No Bid	
Sterling Water Technologies, LLC	No Bid		\$11.9981 / gal	\$119,961.00	No Bid		No Bid		No Bid		No Bid	
Univar Solutions USA, Inc.	No Bid		No Bid		\$264.00 /ton	\$79,200.00	\$481.00 /ton	\$39,442.00	\$2.57 /gal (bulk)	\$69,390.00 (bulk)	\$3.40 /gal (totes)	\$91,800.00 (totes)
Number of Bids Received	3 Bids		3 Bids		1 Bid		2 Bids		1 Bid		2 Bids	