

Memorandum

DATE: August 7, 2012

TO: City Council

THROUGH: City Manager Judie Zimomra

FROM: Acting Public Works Director Scott Krawczuk SK

RE: Sodium Hypochlorite (Chlorine) for Water Reclamation Plants

RECOMMENDATION: Approve 2-year extension of purchase of sodium hypochlorite from Odyssey Manufacturing Co. for the Donax plant.

The Donax Water Reclamation Facility uses sodium hypochlorite (chlorine) during the treatment process for disinfection. The City currently purchases this chemical from the Odyssey Manufacturing Company at a cost of \$0.85/gallon. Council's 6/7/11 approval to purchase this chemical expires on June 30, 2014, with annual price increases of \$0.02/gallon, with the first increase having been scheduled for July 1, 2012.

The Odyssey Manufacturing Company, who submitted the only bid when the service was competitively bid in April 2011, has offered to forego the proposed increases in 2012 and 2013 in return for a 2-year extension to the purchase approval. In addition, Odyssey would reduce the current price for the Donax plant sodium hypochlorite to \$0.83/gallon and hold that price for the remaining 4 years if the extension is approved by Council. The Wulfert plant sodium hypochlorite is not being addressed in this proposal since the plant is currently out of service and the City has no plans to returning it to service.

The annual usage at the Donax plant is 80,000 gallons, so the potential savings over the next 4 years would be approximately \$17,600.

Staff recommends that Council approve a 2-year extension to the purchase of sodium hypochlorite from the Odyssey Manufacturing Company for the Donax facility at a rate of \$0.83/gallon.

cc: Finance Director Sylvia Edwards
City Attorney Ken Cuyler