



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 16, 2024**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**

SUBJECT: CHANGE ORDER INCREASE ON FOUR (4) FY 2023/2024 ANNUAL PURCHASE ORDERS FOR VARIOUS CHEMICAL PURCHASES FOR RIVERSIDE REGIONAL WATER QUALITY CONTROL PLANT; FERRIC CHLORIDE FROM KEMIRA WATER SOLUTIONS, INC., OF FONTANA, CALIFORNIA, IN THE AMOUNT OF \$165,000 FOR A REVISED TOTAL OF \$1,110,000; SODIUM BISULFATE WITH UNIVAR USA, INC., OF KENT, WASHINGTON, IN THE AMOUNT OF \$225,000 FOR A REVISED TOTAL OF \$960,000; SODIUM HYPOCHLORITE FROM PIONEER AMERICAS, LLC., OF WILMINGTON, DELAWARE, IN THE AMOUNT OF \$1,387,285 FOR A REVISED TOTAL OF \$3,200,000; AND POLYMER FROM SNF POLYDYNE, INC., OF RICEBORO, GEORGIA, IN THE AMOUNT OF \$741,000 FOR A REVISED TOTAL OF \$2,211,000; FOR A TOTAL REVISED COST FOR CHEMICALS IN THE AMOUNT OF \$7,481,000 THROUGH JUNE 30, 2024; AND APPROVE A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$1,888,285 – SUPPLEMENTAL APPROPRIATION

ISSUES:

Approve the change order increase on four (4) FY 2023/2024 annual purchase orders for various chemical purchases for the Riverside Regional Water Quality Control Plant (RWQCP); ferric chloride from Kemira Water Solutions, Inc., of Fontana, California, in the amount of \$165,000 for a revised total of \$1,110,000; sodium bisulfate with Univar USA, inc., of Kent, Washington, in the amount of \$225,000 for a revised total of \$960,000; sodium hypochlorite from Pioneer Americas, LLC., of Wilmington, Delaware, in the amount of \$1,387,285 for a revised total of \$3,200,000; and polymer from SNF Polydyne, Inc., of Riceboro, Georgia, in the amount of \$741,000 for a revised total of \$2,211,000; for a total revised cost for chemicals in the amount of \$7,481,000 through June 30, 2024; and authorize a supplemental appropriation in the amount of \$1,888,285.

RECOMMENDATIONS:

That the City Council:

1. Approve a change order to annual Purchase Order No. 240548 for ferric chloride with Kemira Water Solutions, Inc., of Fontana, California, in the amount of \$165,000 for a revised total of \$1,110,000;
2. Approve a change order to annual Purchase Order No. 241158 for sodium bisulfite with Univar USA, Inc., of Kent, Washington, in the amount of \$225,000 for a revised total of \$960,000;

3. Approve a change order to annual Purchase Order No. 241153 for sodium hypochlorite with Pioneer Americas, LLC., of Wilmington, Delaware, in the amount of \$1,387,285 for a revised total of \$3,200,000;
4. Approve a change order to annual Purchase Order No. 241670 for polymer with SNF Polydyne, Inc., of Riceboro, Georgia, in the amount of \$741,000 for a revised total of \$2,211,000; and
5. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the amount of \$1,888,285 from available Sewer Working Capital to the Sewer Fund, Sewer Systems Treatment, Chemical Supplies expenditure account.

BACKGROUND:

The Public Works Department Wastewater Division is responsible for the collection and treatment of wastewater generated within the City of Riverside and the communities of Edgemont, Highgrove, Jurupa, and Rubidoux at the Riverside Water Quality Control Plant (RWQCP). To satisfy the United States Environmental Protection Agency's (EPA) National Pollution Discharge Elimination System (NPDES) permit, wastewater must be treated to achieve regulatory water quality standards. The RWQCP treatment processes require various chemicals, including citric acid and ferric chloride, to achieve water quality objectives.

DISCUSSION:

Market volatility, temporary supply shortages, and the Consumer Price Index (CPI) unexpectedly caused a rise in unit costs for chemicals that were budgeted for the current FY 2023/24 budget cycle.

To meet conditions set forth by the Department of Drinking Water (DDW) to operate at a lower contact time, the RWQCP had to close and upgrade the Chlorine Contact Basin #2 (CCB2). As CCB2 construction progresses, the online placement of Chlorine Contact Basin #3 (CCB3) will necessitate a further increase in chemical usage due to its design. Additionally, the rates for ferric chloride, sodium hypochlorite, polymer, and sodium bisulfite have also increased. To address this issue, staff conducted a general market analysis, comparing the pricing of current vendors with other businesses that offer similar goods.

To have sufficient funds available for the remainder of the fiscal year, staff is formally requesting City Council approval of the requested change orders which are necessary to continue to comply with federal, state, regional and local regulatory requirements as part of the wastewater treatment process.

This change order request is in accordance with Purchasing Resolution 23914 "Section 1104. Change Orders. Modifications to a Purchase Order shall be made only by Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes of (1) adding and/or deleting quantity of items being procured... Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval...b) Any Change Order which causes the contract price to exceed \$50,000, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity".

The Purchasing Manager concurs that the actions to approve the change orders are in compliance with Purchasing Resolution No. 23914, per Section 1104.

STRATEGIC PLAN ALIGNMENT:

These items support **Strategic Priority 4 – Environmental Stewardship** and **Goal 4.2 – Sustainably manage local water resources to maximize reliability and advanced water reuse to ensure safe, reliable, and affordable water to our community.**

1. Community Trust – Conducting regular water treatment routines ensures wastewater discharges do not negatively impact the community and environment. The RWQCP requires chemicals to treat wastewater, such as ferric chloride, hypochlorite, citric acid, sodium bisulfate, and polymer to comply with federal, state, regional and local regulatory requirements.

2. Equity – The purchase of these chemicals supports RWQCP efforts in protecting the public's health and environment by ensuring wastewater treatment is performed efficiently in compliance with federal, state, regional, and local regulatory requirements.

3. Fiscal Responsibility – The purchase of these chemicals supports RWQCP efforts in minimizing inefficiencies and develop control methods to maximize reliability and ensure efficient wastewater treatment.

4. Innovation – The purchase of these chemicals exemplifies a collaborative partnership between ; Kemira Water Solutions Inc., of Fontana, California; Univar USA, Inc., of Kent, Washington; Pioneer Americas, LLC., of Wilmington, Delaware; and SNF Polydyne, Inc., of Riceboro, Georgia to enhance operational reliability by achieving measurable improvements through proper wastewater treatment.

5. Sustainability & Resiliency – The purchase of these chemicals supports the implementation of sustainability to treat wastewater that is generated within the City of Riverside and the communities of Edgemont, Highgrove, Jurupa, and Rubidoux at the Riverside Water Quality Control Plant.

FISCAL IMPACT:

The total fiscal impact of the action is \$2,518,285. Upon City Council approval, a supplemental appropriation of \$1,888,285 from Sewer Working Capital will be recorded in the Sewer Fund, Sewer Systems Treatment, Chemical Supplies account number 4125200-426600, as listed in the table below.

Fund	Program	Account	Amount
Sewer	Sewer Systems Collections, Chemical Supplies	4125100-426600	\$50,000
	Sewer Systems Treatment, Chemical Supplies	4125200-426600	\$580,000
	<i>Sewer Systems Treatment, Chemical Supplies*</i>	<i>4125200-426600</i>	<i>\$1,888,285</i>
Total			\$2,518,285

*** Supplemental Appropriation**

Prepared by: Victoria Villegas, Administrative Analyst
Approved by: Gilbert Hernandez, Public Works Director
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Presentation