

MEETING OF APRIL 7, 2022

1. **Agenda Item:** 2e
2. **Subject:** Water Treatment Chemicals
3. **Issue:** Award Multiple Contracts as a Result of Invitation for Bids (IFB) 22-012 “Requirements Contract for Ammonium Hydroxide, Caustic Soda, Dry 25%, Caustic Soda, 50%, Phosphoric Acid 75%, Sodium Bisulfite Bulk, and Sulfuric Acid”
4. **References:** 2022 Annual Budget, Page 27 – Chemicals / Strategic Plan 2025 – Infrastructure Integrity Goal / Board Meeting Minutes for January 23, 2020 (IFB 19-094 contract award) and March 19, 2020 (IFB 20-006 contract award)
5. **Background:**

Fairfax Water’s Corbalis and Griffith Treatment Plants treat approximately 60 billion gallons of water annually using a variety of chemicals to meet or surpass water quality regulations. In FY 2020, the Board approved the award of multiple one-year contracts for water treatment chemicals and authorized staff to renew additional one-year terms through 2024 if pricing was consistent with agreed-upon indexes. During the 2022 contract renewal process, 19 of 24 chemical contracts were renewed using an increase based on the contractual index. However, due to market pressures on supplier costs, vendors for five of the chemicals elected not to renew at the increase allowed by the contract.

On February 2, 2022, on behalf of Fairfax Water, Fairfax County Department of Public Works, and Loudoun Water, IFB 22-012 was publicly advertised on Fairfax Water’s website and sent to prospective bidders for those chemicals. Eleven firms submitted bids, and one firm formally declined to bid. The IFB included an initial contract term of nine months to align with the term of existing chemical contracts, with the option to renew the contract annually for two additional one-year periods. Due to volatility in the market of these chemicals, bid prices will remain firm for an initial six-month period, after which Fairfax Water and the contractor have the option to negotiate an adjusted price for the remainder of the term. A determination by Fairfax Water will be made on how pricing will be structured for all renewal options.

Award recommendations covered under this agenda are for contracts that exceed the General Manager’s approval authority of \$75,000. Estimated annual requirements used in the IFB are based on high use scenarios to ensure the vendor can meet possible maximum requirements and are therefore typically higher than usage amounts included in the budget.
6. **Recommendation:** Award contracts to the lowest responsive and responsible bidders: Tanner Industries, Inc in the estimated amount of \$342,188 for the purchase of Ammonium Hydroxide Dry, 19%; Brenntag Mid-South, Inc in the estimated amount of \$1,105,230 for the purchase of Caustic Soda, Dry, 50% Bulk; George S. Coyne Chemical Co., Inc in the estimated amount of \$932,316 for

the purchase of Phosphoric Acid, 75%; and Univar Solutions USA, Inc in the estimated amount of \$743,400 for the purchase of Sulfuric Acid.

The total estimated amount of these contracts is \$3,123,134. Annual expenditures may be more or less, subject to actual requirements. Further, authorize staff to renew the individual contracts annually for up to two additional, one-year periods so long as prices remain fair, reasonable, and consistent with contractual terms and conditions.