



OPERATIONS COMMITTEE

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Agenda Report

File #: 2022-2399

Agenda Date: 7/6/2022

Agenda Item No: 5.

FROM: James D. Herberg, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

PURCHASE OF SODIUM HYPOCHLORITE (BLEACH SOLUTION) FOR ODOR CONTROL AND PLANT WATER DISINFECTION IN THE TREATMENT PLANTS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a Purchase Order Contract to Olin Corporation for the purchase of bulk Sodium Hypochlorite (Bleach Solution), for the period of September 1, 2022 through November 30, 2022, for a unit price of \$1.769/gallon, delivered, plus applicable sales and excise tax, for a total estimated amount of \$330,000.

BACKGROUND

The Orange County Sanitation District (OC San) utilizes sodium hypochlorite for odor control. Foul air is collected in collection lines and the treatment plants and is treated in chemical scrubbers in accordance with AQMD requirements for oxidizing hydrogen sulfide from the odorous air. Bleach is also required per NPDES permit requirements to be available for emergency outfall disinfection purposes. Additionally, bleach is also used for disinfecting plant water.

Staff estimates approximately 62,000 gallons of bleach usage per month at both plants. The price has continually escalated over the last four years from \$0.698 per gallon to \$0.799 per gallon which was in the within the approved 10% contingency.

RELEVANT STANDARDS

- Maintain a proactive asset management program
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting
- Zero odor incidents/events under normal operating conditions for Plant Nos. 1 and 2

PROBLEM

The Chemical Supplier Agreement with Olin Corporation, for the purchase of bulk Sodium Hypochlorite (Bleach Solution), per Specification No. C-2018-939BD, is set to expire August 31, 2022. When staff initiated the agreement renewal process with the supplier, staff was notified of an

increase in the unit price which exceeds the Board authorized 10% contingency. Proposed unit price for the new term increases from \$0.799/gal to \$1.769/gal.

Bleach is required to meet permit obligations and to support wastewater treatment process needs at Plant Nos. 1 and 2.

PROPOSED SOLUTION

Approve a Purchase Order Contract with Olin Corporation for a three-month bridge contract. This approval will allow OC San time for the formal bidding process to occur for a new long-term agreement.

TIMING CONCERNS

The Chemical Supplier Agreement with Olin Corporation for the purchase of bulk bleach solution is set to expire August 31, 2022. Without action OC San will be unable to meet permit requirements, support treatment plant processes, safely disinfect plant water, and mitigate odors, resulting in high odor levels for the surrounding community.

RAMIFICATIONS OF NOT TAKING ACTION

Shortages in available bleach will impede OC San's ability to fulfill AQMD and NPDES permit requirements and to control and mitigate odors at both plants, ability to disinfect plant water for safe reuse, and meet required permit obligations for disinfection in the event of effluent discharge out the one-mile emergency outfall.

PRIOR COMMITTEE/BOARD ACTIONS

July 2018 - Awarded a Chemical Supplier Agreement to Olin Corporation, for the purchase of bulk Sodium Hypochlorite (Bleach Solution), Specification No. C-2018-939BD, for the period of September 1, 2018 through August 31, 2019, for a unit price of \$0.698/gallon, delivered, plus applicable sales tax, for a total estimated annual amount of \$910,890 with four (4) one-year renewal options; and approved a unit price contingency of 10% per year.

ADDITIONAL INFORMATION

The availability of chlorine related industrial chemicals has been problematic across the United States for some time. Failures in several large production plants have limited supply of chlorine and caustic soda. Recently, OC San was informed by the Olin Corporation that a major producer of chlorine and caustic soda in Louisiana has declared a systemwide force majeure condition due to a sudden failure of their manufacturing facility. These facility failures have resulted in limited availability of chlorine, a key component of sodium hypochlorite, thereby adversely affecting pricing.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted in the FY2022-23 and 2023-24 Operating Budget, Division 830 and 840 (Line item: Supplies).

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
07/27/2022	\$330,000 (\$1.769/gal)	N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A

RM:PP:ab