



Agenda Report

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SUBJECT:

ANIONIC POLYMER SPECIFICATION NO. C-2021-1252BD CONTINGENCY INCREASE

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a unit price contingency increase of 5% for a total annual contingency amount of 15% to the Anionic Polymer Specification No. C-2021-1253BD contract with Polydyne, Inc. for the term of November 1, 2022 through October 31, 2023; and
- B. Approve a unit price contingency increase of 5% for the remaining three, one-year renewal periods; for a total annual contingency amount of 15%.

BACKGROUND

Anionic polymer and ferric chloride are added to the primary influent at both Orange County Sanitation District (OC San) Plant Nos. 1 & 2 to enhance organic removal and improve settling of suspended solids during primary treatment. This is defined as chemically enhanced primary treatment (CEPT).

Solids and organics not captured and removed in primary treatment are converted into biological solids in secondary treatment. Secondary treatment is more energy intensive and secondary solids are more difficult to digest, have lower methane production, and higher dewatering and biosolids hauling costs relative to primary solids.

RELEVANT STANDARDS

- Meet volume and water quality needs for the GWRS
- 24/7/365 treatment plant reliability

PROBLEM

The proposed unit cost has increased beyond the approved annual contingency amount. Propylene and acrylonitrile (two key raw materials in anionic polymer) have seen over a 40% average increase in a year-over-year comparison. Freight continues to be a record high, up 34% over the last 12 months, impacting raw materials and shipping costs.

PROPOSED SOLUTION

Staff recommends the Board of Directors approve a contingency increase.

TIMING CONCERNS

The existing agreement expires on October 31, 2022.

RAMIFICATIONS OF NOT TAKING ACTION

If anionic polymer is not used in the primaries, it will result in increased solids and organics loading to the secondary treatment plants. Increased energy usage and operating costs can be expected. Less solids captured from the primary treatment process reduces digester gas production.

PRIOR COMMITTEE/BOARD ACTIONS

September 2021 - Approved a Chemical Supplier Agreement to Polydyne, Inc. for the purchase of Liquid Anionic Polymer, Specification No. C-2021-1252BD, for the period of November 1, 2021 through October 31, 2022, for a unit price of \$4.50 per active pound delivered, plus applicable sales tax for a total estimated annual amount of \$685,125, with four, one-year renewal options; and approved an annual unit price contingency of 10%.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted in the FY2022-2023 Operating Budget, Division 830, Supplies line item (Section 6, Page 84) and Division 840, Supplies line item (Section 6, Page 88). The available funding is sufficient for this action.

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

JS:JL:cf