


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Finance	<b>CEQA:</b> Not a Project, File No. PP17-003, Agreements/	<b>Coordination:</b> Environmental Services; City Attorney's Office; City Manager's Budget	<b>Dept. Approval:</b> /s/ Julia H. Cooper
<b>Council District(s):</b> Citywide	Contracts (New or Amended) that do not result in physical changes to the environment.	Office	<b>CMO Approval:</b>  11/2/22

**SUBJECT: AMENDMENT TO THE PURCHASE ORDER WITH KEMIRA WATER SOLUTIONS, INC. FOR FERRIC CHLORIDE (FeCl<sub>3</sub>)**

**RECOMMENDATION:**

Adopt a resolution authorizing the City Manager to amend purchase order OP 62260 with Kemira Water Solutions, Inc. (Atlanta, GA) for ferric chloride (FeCl<sub>3</sub>) to increase compensation by \$1,200,000, for a revised maximum compensation not-to-exceed \$2,500,000 for the period ending on June 30, 2023.

**Desired Outcome:** To provide the Environmental Services Department Regional Wastewater Facility (RWF or Plant) continuity of service with the supply of ferric chloride for wastewater treatment.

**BASIS FOR RECOMMENDATION:**

The RWF manages the treatment of raw sewage in the South Bay Area. RWF operations must meet the requirements of several regulatory permits issued by federal and state agencies. To ensure compliance with Title Five of the Federal Clean Air Act, sulphide emissions from engines using digester gas must be regulated. FeCl<sub>3</sub> is added to Plant influent to reduce sulphide emissions from power generation engines. The addition of FeCl<sub>3</sub> meets Title Five regulations and reduces corrosion to Plant structures, concrete, and steel.

The City leveraged a competitive solicitation facilitated by the Bay Area Chemical Consortium to procure FeCl<sub>3</sub> pursuant to San José Municipal Code requirements. Finance staff subsequently issued a purchase order to Kemira Water Solutions, Inc. to supply the RWF with FeCl<sub>3</sub> under the City Manager's contract authority. Additional purchase order funding is now required due to the rising cost of FeCl<sub>3</sub> and increased demand for the chemical as a result of lower sulphide emission requirements set by the Bay Area Air Quality Management District. Approval of the recommendation will ensure the City continues to receive FeCl<sub>3</sub> with minimal impact to operations.

Climate Smart San José: The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: The Treatment Plant Advisory Committee will consider this item on November 10, 2022. A supplemental memorandum with the committee's recommendation will be included in the amended November 15, 2022 City Council meeting agenda.

This City Council item is consistent with the City's 2022-2023 Proposed Budget City Service Areas Delivery Framework: "Provide environmental leadership through policy development, program design, and reliable utility services."

**COST AND FUNDING SOURCE:**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Recommendation	2022-2023 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No)
513	0762	NP/EQUIP- ENVIRONMENTAL SVCS	\$37,280,941	\$1,200,000	927	6/21/22, 30790

\*The 2022-2023 Adopted Operating Budget was approved on June 14, 2022 and adopted on June 21, 2022 by City Council.

**FOR QUESTIONS CONTACT:** Luz Cofresí-Howe, Assistant Director of Finance, at [Luz.Cofresi-Howe@sanjoseca.gov](mailto:Luz.Cofresi-Howe@sanjoseca.gov)