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191131

Ordinance

## Amend contract with JCI Jones Chemical to increase amount for bulk supply of sodium hypochlorite (amend Contract 31000640)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Environmental Services (BES) established a price agreement contract 31000640 with JCI Jones Chemical Inc. on 12/1/2014 for bulk supply delivery of sodium hypochlorite.
2. BES utilizes Sodium Hypochlorite in our treatment plant chlorination systems with the purpose of disinfecting the treated wastewater stream in order to reduce pathogens prior to the effluent being discharged into the receiving water. These systems must always be operational while the plant is discharging effluent.
3. BES also utilizes Sodium Hypochlorite in the Headworks odor treatment system. The odor treatment system captures and treats odors released from the wastewater stream to ensure a safe working environment for staff and so odors are not perceptible beyond the facility fence line. Odor treatment consists of four wet chemical scrubbers that recirculate a solution of sodium hypochlorite and sodium hydroxide to chemically strip the odors from the air being pushed through the scrubber.
4. Contract 31000640 with JCI Jones Chemical for supply of sodium hypochlorite has been amended six times for unit price increases since 12/1/2019. Sodium hypochlorite price increases were due to raw material cost increases issued by the Producers of chlorine and sodium hydroxide (caustic soda). These materials are also used to manufacture sodium hypochlorite (bleach) and it was necessary for contract vendor to pass those increases on contract customers. Contract vendor has advised BES to expect potential price increases on sodium hypochlorite for 2022 and 2023 calendar year.

### Introduced by

[Commissioner Mingus Mapps](#)

### Bureau

[Environmental Services](#)

### Contact

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### Requested Agenda Type

Regular

### Date and Time Information

Requested Council Date

January 11, 2023

5. The City and Contractor acknowledge that prices for product furnished by Contractor under this Price Agreement may need to be adjusted during the term of the Price Agreement due to changes in Contractor's prices, rate plans, or product offerings.
6. This contract requires an amendment to add contract value due to the most recent unit price increase so there are enough funds on contract to procure sodium hypochlorite for the remainder of the contract term which expires 12/1/2024. Over the past 3 years, we've seen a 31% average increase in costs due to unit price increases. Additional funding for these contingencies is also factored into the amendment amount. The contract will be amended to increase the contract amount by \$3,749,963.99. The new total not to exceed amount of the contract will be \$13,675,438.18
7. The Funds are available in the Sewer System Operating Fund, FY 2022-23 Budget, Bureau of Environmental Services, Cost Center ESOM000003, WBS Element, Internal Order.

NOW, THEREFORE, the Council directs:

- A. The Chief Procurement Officer is authorized to execute an amendment to Contract 31000640 with JCI Jones Chemical for the purposes described in Section 1, by an amount not to exceed \$3,749,963.99, provided the amendment has been approved as to form by the City Attorney.
- B. The Mayor and City Auditor are hereby authorized to pay for the contract from the Sewer System Operating Fund Budget when demand is presented and approved by the proper authority.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
January 11, 2023

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

- BES procures sodium hypochlorite via a price agreement contract 31000640 with JCI Jones Chemical Inc., and contract unit price adjustments are allowable under this contract.

- This is the 10<sup>th</sup> contract amendment to this contract and is the seventh unit price increase on this contract.
- JCI Jones Chemical had advised BES of potential for continued unit price increases for calendar year 2022 and 2023 due to increases in raw material costs needed to produce sodium hypochlorite.

### **Financial and Budgetary Impacts**

- Contract 31000640 with JCI Jones Chemical Inc. will be amended to increase the contract amount by \$3,749,963.99. The new total not to exceed amount of the contract will be \$13,675,438.18. This amendment amount will allow BES to procure sodium hypochlorite for the remainder of contract term which expires 12/1/2024. This amendment amount encompasses a 9.4% unit price increase based off most recent unit price increase notice plus an additional 41% increase based off 31% average increase over past 3 years and 10% for unknown contingency costs.
- The anticipated cost for this project would be funded by the Sewer System Operating Fund.

### **Community Impacts and Community Involvement**

- Sodium Hypochlorite is critical for treatment plant processes such as chlorination where we disinfection plant effluent by dosing it with a 12 percent sodium hypochlorite solution to inactivate microbial pathogens (bacteria) to levels at or below the requirements in the National Pollutant Discharge Elimination System (NPDES) permit. The chemical is also utilized in our odor treatment system that captures and treats odors related to the wastewater stream to ensure a safe working environment and so odors are not perceptible beyond the fence line.

### **100% Renewable Goal**

- This contract does not affect the City's renewable energy use.

### **Budget Office Financial Impact Analysis**

This ordinance amends the contract value with JCI Jones Chemical to increase by \$3,749,963.99 to not exceed the amount of \$13,675,439.18 to supply sodium hypochlorite to the City, an essential chemical to treat wastewater. The vendor did alert BES to the likely cost increase in the current fiscal year and funds are available to accommodate this request in the Sewer System Operating Fund.

## Agenda Items

### **16 Regular Agenda in January 4, 2023 Council Agenda**

Passed to second reading

Passed to second reading January 11, 2023 at 9:30 a.m.

### **33 Regular Agenda in January 11, 2023 Council Agenda**

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea