

**San Francisco Office of the City Administrator**  
**City Administrator Carmen Chu**

# **Class-A Biosolids Management Services**

*File 220600; Contract 1000025273*

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Office of Contract Administration

Board of Supervisors' Government Audit & Oversight Committee

June 16, 2022

# Contract Summary

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- Proposed contract awarded to Lystek International Limited via competitive solicitation issued on March 29, 2022.
- Contract is to convert the city's biosolids (the nutrient rich solids produced during wastewater treatment) into a fertilizer and manages the subsequent use of the fertilizer.
- Pricing based on "fixed unit price" per wet ton of biosolids for the first 12 months. Pricing can be adjusted annually based on CPI.
- Used exclusively by the SFPUC Wastewater Enterprise.

# Previous Contract Expenditures

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Year	2018	2019	2020	2021	1/2022 - 5/2022	TOTAL
Wet Tons	11,470	15,081	11,458	25,996	14,373	78,378
Expenses	\$0.72M	\$1.03M	\$0.79M	\$1.85M	\$1.03M	\$5.42M

# Projected Expenditures

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	TOTAL
Wet Tons	26,020	31,121	31,494	31,872	32,255	32,642	33,033	218,437
Expenses	\$2.54M	\$2.97M	\$3.08M	\$3.18M	\$3.29M	\$3.40M	\$3.52M	\$21.98M

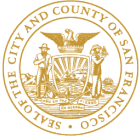
- Increase in wet tonnage due to requirement to comply with Senate Bill 1383 and leverage carbon sequestration benefits of biosolids
- Increase in processing, transport, and labor costs from prior contract

# Proposed Contract

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- Request approval of resolution, as amended, to execute contract with Lystek International Limited:
  - Initial 5 year duration and NTE of \$16.4M
  - One two- year option to extend, for total NTE of \$22.8M

**Thank You**



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**Ferric Ferrous Chloride - Primary**

*File 22-0601; Contract 1000025263*

**Ferric Ferrous Chloride - Secondary**

*File 22-0602; Contract 1000025301*

**Sodium Hypochlorite**

*File 22-0603; Contract 1000025302*

**Sodium Bisulfite**

*File 22-0604; Contract 1000025303*

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# Contract Summary

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- Issued competitive solicitation for various chemicals in March 2022
- Chemicals critical for City's wastewater and water treatment processes
- Pricing based unit price per ton or dry pound; varies by chemical
- Due to volatility in market, pricing can be adjusted every 6 months for first two years, annually thereafter, based on PPI
- Used primarily by SFPUC Wastewater and Water Enterprises



# Projected Usage & Expenditures

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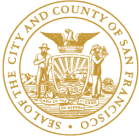
	Chemical	Estimated Annual Volume	TOTAL NTE
Kemira Water Solutions ( <i>File 22-0601</i> )	Ferric and ferrous chloride	1,270,700 gallons	\$26 M
TR International ( <i>File 22-0602</i> )	Ferric and ferrous chloride	Secondary contract – no estimate	\$28 M
Univar ( <i>File 22-0603</i> )	Sodium hypochlorite	5,683,200 gallons	\$74 M
Univar ( <i>File 22-0604</i> )	Sodium bisulfite	1,347,900 gallons	\$19 M

# Proposed Contracts

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- 1. Kemira Water Solutions – Primary ferric & ferrous chloride:**
  - Initial 3 year duration and NTE of \$ 11.2M
  - Option to extend up to 7 years, for total NTE of \$ 26M
- 2. TR International – Secondary ferric & ferrous chloride:**
  - Initial 3 year duration and NTE of \$ 12M
  - Option to extend up to 7 years, for total NTE of \$ 28M
- 3. Univar – sodium hypochlorite:**
  - Initial 3-year duration and NTE of \$32M
  - Option to extend up to 7 years, for total NTE of \$74M
- 4. Univar – sodium bisulfite:**
  - Initial 3-year duration and NTE of \$8M
  - Option to extend up to 7 years, for total NTE of \$19M

**Thank You**



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# **Citywide Hardware Supplies**

*File 22-0599; Contract 1000006825*

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# Contract Summary

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- Provides a wide variety of hardware supplies to all City Departments.
- Awarded to Professional Contractor's Supply (PCS) via competitive solicitation in May 20 17.
  - Current NTE \$7.5M, ending on July 14, 2025
  - Amended four (4) times
- Pricing based on catalogue discounts ranging from 28% to 44% off.
- Used heavily by all departments.

# Projected Expenditures

Total Spend to Date	\$ 6,847,8112
Average Monthly Spend	\$ 122,28 2
Projected Expenditures to J uly 14, 20 25	\$ 4,646,730
Less Current Balance	\$ 652,18 8
Total Additional Funds Needed	\$ 3,994,541
Current NTE	\$ 7,500,000
<b>NEW NTE TOTAL</b>	<b>\$ 11,494,541</b>

- Increase in usage between FY21 and FY22 primarily driven by purchases from MTA and PUC, and heavy usage during the COVID emergency.
- Contract balance insufficient to meet City's business needs through the current contract end date of July 14, 20 25.

# Proposed Amendment

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- Request approval of resolution to amend contract with Professional Contractor's Supply:
  - Increase NTE by \$4M for total NTE of \$11.5M
  - No change to duration

**Thank You**