

FIRST READING: 2-27-23

SECOND READING: 3-13-23

THIRD READING: 3-27-23

ORDINANCE NO. 12-23

BY: CHRISTINA MORRIS

AN EMERGENCY ORDINANCE AUTHORIZING THE DIRECTOR OF PUBLIC SAFETY-SERVICE TO ENTER INTO AN AGREEMENT WITH BONDED CHEMICALS, INC. FOR THE PURCHASE AND SUPPLY OF SODIUM HYPOCHLORITE FOR THE ROCKY RIVER WASTEWATER TREATMENT PLANT AT A COST OF \$2.60 PER GALLON FOR TWO (2) YEARS AS FURTHER DESCRIBED IN EXHIBIT "A"

WHEREAS: The Director of Public Safety-Service of the City of Rocky River advertised for bids with specifications that contain a two (2) year contract with the option to renew for one additional year for the purchase and supply of Sodium Hypochlorite for the Wastewater Treatment Plant starting April 1, 2023; and

WHEREAS: February 10, 2023, two (2) bids were received and upon recommendation of the Wastewater Treatment Plant Superintendent, it was determined to be in the best interest of the City to accept the lowest and best bid for the purchase and supply of Sodium Hypochlorite for the Wastewater Treatment Plant from Bonded Chemicals, Inc. for a period of two (2) years, copies of bids are on file in the office of the Director of Public Safety Service; and

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROCKY RIVER, COUNTY OF CUYAHOGA, STATE OF OHIO:

SECTION 1. That the Director of Public Safety-Service of the City of Rocky River is hereby authorized to purchase services for the purchase and supply of Sodium Hypochlorite for a period of two years, with an option to renew for one additional year from Bonded Chemicals, Inc. 2645 Charter Street, Columbus, Ohio 43228 at \$2.60 per gallon

SECTION 2. That funds for the purchase and supply of Sodium Hypochlorite shall be paid from the Wastewater Treatment Plant Utility Fund.

PASSED: March 27, 2023

James W. Moran
JAMES W. MORAN
President of Council

PRESENTED TO MAYOR: March 27, 2023 APPROVED: March 27, 2023

ATTEST:

Mary Ellen Umerley

~~SUSAN COOPER~~ MARY ELLEN UMERLEY
Clerk of Council, Acting

Pamela E. Bobst
PAMELA E. BOBST
Mayor

It is hereby certified that the amount required for the execution of this Ordinance has been lawfully appropriated or authorized or directed for such purpose and is in the treasury or in the process of collection to the credit of the fund described herein free from any obligation or certification now outstanding.

Michael Thomas

MICHAEL THOMAS, CPA
Director of Finance

I, the undersigned clerk of council of the city of Rocky River, State of Ohio, do hereby certify that publication of the foregoing ordinance was duly made by posting a true copy thereof in the lobby of the Rocky River City Hall, in accordance with the charter of Rocky River, commencing on the 27 day of March, 20 23.

Mary Ellen Umerley

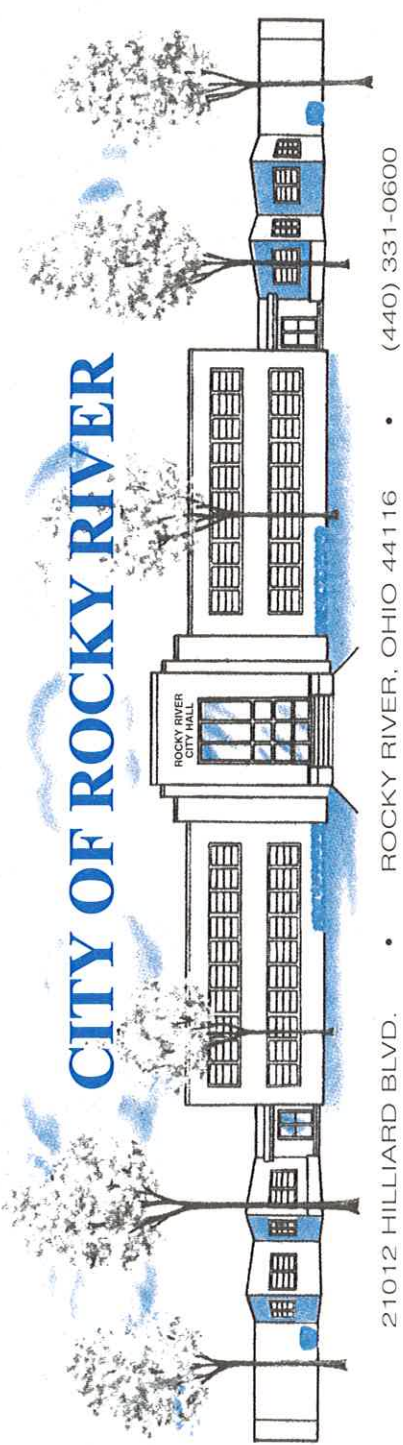
City of Rocky River } ss
County of Cuyahoga }

THE UNDERSIGNED CLERK OF THE COUNCIL OF THE CITY OF
ROCKY RIVER, OHIO DOES HEREBY CERTIFY THAT THE
FOREGOING IS A TRUE AND CORRECT COPY OF ORDINANCE
NO. 18-23 ADOPTED BY THE COUNCIL OF SAID CITY
ON THE 21 DAY OF March, 2023 THAT THE
PUBLICATION OF SUCH ORDINANCE HAS BEEN MADE AND
CERTIFIED OF RECORD ACCORDING TO LAW; THAT NO
PROCEEDINGS LOOKING TO A REFERENDUM UPON SUCH
ORDINANCE HAVE BEEN TAKEN, THAT SUCH ORDINANCE AND
THE CERTIFICATE OF PUBLICATION THEREOF, ARE OF RECORD
IN ORDINANCE RECORD NO. 13-23

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED
MY NAME AND AFFIXED MY OFFICIAL SEAL THIS 21 DAY OF
March, 2023.

Mary Ellen Zmerley
CLERK OF COUNCIL OF THE CITY OF ROCKY RIVER, OHIO

CITY OF ROCKY RIVER



21012 HILLIARD BLVD.

• ROCKY RIVER, OHIO 44116

• (440) 331-0600

February 14, 2022

Mayor Pamela E. Bobst
City of Rocky River
Rocky River, OH 44116

Dear Mayor Bobst:

The City received two (2) bids on February 10, 2023 for the WWTP Supply of Sodium Hypochlorite in 2023:

<u>Contractor</u>	<u>Bid (per gallon)</u>
1. Bonded Chemicals Inc	\$ 2.60
2. Brenntag Northeast LLC.	\$ 2.75

Sodium Hypochlorite (Hypo) prices have tripled in the past two years. Sodium Hypochlorite is required to keep the WWTP's compliance and is a necessary chemical. The last two public bids (2021 & 2022) received only one bidder, Bonded Chemicals. Traditionally the WWTP requested a one-year fixed price contract. The fixed price approach seemed to have inflated the bid values to account for levels of uncertainty in the market. The WWTP adjusted the advertised specifications for pricing to make the bidding process more competitive and help reduce the drastic price escalation annually given the current economic climate. The following changes were implemented:

1. First six (6) months of contract are fixed price
2. After six (6) months the supplier can escalate or de-escalate the price based on market
 - Per contract the supplier needs to provide advanced written notice and justification for the increase with market data to support the increase
 - The WWTP has sole discretion to permit the price increase
 - Per contract, If price escalation from original bid price is greater than 15% aggregate in one year, Rocky River has the right to cancel the contract
 - No more than two increases can occur in a year
3. Contract will be for two years ending 2024

1. The escalator pricing allows for flexibility in the market to mitigate risk for supplier's long term and allow a more competitive pricing for the WWTP
 - The de-escalator also provides some flexibility to benefit the WWTP if the market does change

The terms of the price escalation/de-escalation:

A. **PRICING:** Bidders are to bid firm or fixed prices, FOC Destination, Freight Prepaid and Allowed. Unless otherwise stated all bids will be considered to contain the following escalator/de-escalator cause:

- a. **ESCALATOR CLAUSE:** No price adjustment shall be granted during the **six (6) months following effective date**. Thereafter no more than two such increases may occur within any year of the contract. In the event the supplier receives a general price increase in the cost of the finished product contracted for, due to increase in the cost of raw materials, labor, freight, etc., upon giving thirty (30) days prior notice and proper documentation as proof, said increase in addition to the unit price quoted herein, may be permitted, subject to the **sole discretion of the City of Rocky River**. In the event any such increase is granted; no price adjustment shall be permitted on orders received by supplier which are in process or filled but awaiting shipment prior to the increase and **up to seven (7) days after**. All price decreases inure to the benefit of the City of Rocky River WWTP. The written notice and following documentation shall be sent to: City of Rocky River Safety Service Office, 21012 Hillard Blvd., Rocky River 44116 and emailed to: Director of Safety Service – rsnyder@rrcity.com, Mayor of Rocky River – mayor@rrcity.com & WWTP Superintendent – nbarille@rrcity.com

- b. **PRICE DOCUMENTATION:** The supplier shall submit the following documentation with each request for a price increase:

- 1) Copies of the old and the current price lists or similar documents which indicate the original base cost of the product to the supplier and the corresponding increase; and
- 2) Copies of correspondence sent by the supplier's supplier explaining the source of the increase in such areas of raw materials, freight, fuel or labor, etc.; and
- 3) Copies of excerpts from business publications, market quotations or trade journals recognized as being representative of their particular trade or industry, that indicate a trend toward an increase in the current market for the commodities under the awarded contract.

RIGHT OF CANCELLATION: If at any time during the term of the contract the **supplier's total request(s) for a price increase(s) exceeds fifteen percent (15%) of bid price**, the City of Rocky River may cancel this agreement with thirty (30) days written notification.

This contract will give us competitive pricing in the short term and help curve some of the risk associated with the market in the long term. In the meantime, the WWTP will continue to reduce its dependence on sodium hypochlorite as the plant works to diversifying operational strategy. If sodium hypochlorite continues to increase at the previous rates of the past two years, it would be difficult for the WWTP to develop long term financial planning without this contract clause.

Wastewater Treatment Plant Superintendent Barille has reviewed the bids and recommends Bonded Chemical Solutions Inc. with the best and lowest bid. With your permission an ordinance will be submitted to Council for consideration at their next scheduled legislative meeting.

If you have any questions in this regard, please do not hesitate to contact me.

Very truly yours,

Nicholas Barille
WWTP Superintendent

NB/mf

Cc: All councilmembers