

MEMORANDUM

DATE: April 14, 2020

TO: Dan Duchniak

FROM: Kelly Zylstra

RE: Extension of Contracts for Chemicals from Current Suppliers

The contract with our chemical suppliers runs from June 1st to May 31st. Considering the Covid-19 pandemic, there is an inherent risk in changing chemical suppliers during this timeframe.

We have reached out to all four of our suppliers and several have agreed to hold their per gallon or per pound price from their current contracts for an additional 12-months. This results in the following costs:

• Fluoride	Hawkins Water Treatment	\$5,022.00
• Sodium Permanganate	Hawkins Water Treatment	\$11,546.08
• Sodium Silicate	Occidental Chemical	\$73,926.30
• Dry Potassium Permanganate	Viking Chemical company	\$11,226.60

On April 6, Milport agreed to hold their prices until November 2020; as the chemicals that they provide have experienced an increase in costs recently. We will bring a proposal to the Commission in November to bring these chemical back in sync with the others. The extension through November will result in the following costs:

• Sodium Hypochlorite	Milport Chemical Company	\$19,694.50
• Sodium Hydroxide	Milport Chemical Company	\$3,188.64

On April 14th, Viking Chemical provided prices on the remaining two chemicals. They had stated that their previous supplier decided to no longer offer food grade chemicals, however, there were able to locate a new supplier. The prices will increase from \$2.31 per pound for Manganese Sulfate to \$2.47 per pound, and from \$4.96 per gallon for Liquid Manganese Sulfate to \$5.98. These prices will be good through May 31, 2021. Last year we opted to purchase less Dry Manganese Sulfate to deplete some surplus we had gained, however for the 2020-2021 cycle we will need to return to the level that we had purchased in 2018. This will result in the following costs:

• Liquid Manganese Sulfate	Viking Chemical Company	\$8,084.96
• Dry Manganese Sulfate	Viking Chemical Company	\$25,194.00

Funds for these purchases have been budgeted in account 6410-300 through 2020 with the remainder being planned for in the 2021 budget.

Recommended Motion: Move to approve contract extensions with our current chemical suppliers as presented.