

March 24, 2020

To all members of the Bay Area Chemical Consortium,

The Bay Area Chemical Consortium (BACC) coordination team is informing you that we are canceling the bids for Fiscal Year Ending 2021 (FYE 2021) that was posted on Wednesday March 18, 2020 with Addendum No. 1 posted on the same day. We have reached this difficult decision in recognition of the high level of uncertainty and limited resources at both our member agencies as well as our chemical suppliers due to the current COVID-19 global crisis. This unprecedented crisis impacts every aspect of our operations and is of unknown duration. We are responding to feedback from our members and suppliers that this is not the time be reevaluating and renegotiating supply chains and logistics.

The current FYE 2020 bid document contained the following stipulation (Section 4.11):

The term of the contract between the respective BACC agency and the successful bidder will be twelve (12) months commencing July 1, 2019, and expiring June 30, 2020, with an option to extend the contract on a year-to-year basis, not to exceed three (3) yearly renewals if conditions and service are satisfactory to both the respective BACC agency and the successful bidder. The price for any succeeding periods of service shall be determined by negotiation between the respective BACC agency and the successful bidder.

BACC recommends that each participating agency exercise the extension option in their current contract with suppliers. We have reached out to Univar, Chemtrade, Thatcher, and Olin Chlor regarding their willingness to extend FYE 2020 prices for another year. So far, Univar has committed to extend the prices. We will pass along communications from our FYE 2020 chemical suppliers as we receive them.

To the agencies that are new participants this year and do not have an existing BACC contract, let us know if there is anything we can do to help.

We very much appreciate all the work your agency has put into providing information to support the FYE 2021 bid and are hopeful that we will be able to successfully coordinate a new bid for FYE 2022. Thank you for your understanding.

Addendum No. 2 for Notice of Bid Cancellation will be issued as soon as possible within this week.

Best regards,

Lorien Fono, BACWA Executive Director
Jeff Carson, Operations Manager, Dublin San Ramon Services District
Gemma Lathi, Administrative Analyst II, Dublin San Ramon Services District

Attachments:

Univar extension letter 3/19/20
Chemtrade extension offer 3/24/20
Thatcher reply 3/24/20
Olin Chlor reply 3/24/20

Date: March 19, 2020

To: Gemma Lathi, Administrative Analyst II,
Operations Department of Dublin San Ramon.

Subject: Bulk Water Treatment Chemicals Availability and Contract Terms

Univar Solutions is proud to be your bulk water treatment chemical supplier of sodium hypochlorite, sodium hydroxide & sodium bisulfite. We recognize the need for certainty in these unsettled times. Univar, as the largest distributor of bulk water treatment chemicals in United States, has a critical role in the manufacture, distribution, and supply of these bulk chemicals. To ensure Univar has product for all our municipalities and retail bottlers, Univar along with our Supply Partners have implemented some new processes that include:

- *Implementing business continuity plans at all our locations. Some details include daily wipe down of equipment and with non-overlapping employee shifts.*
- *All non-production essential employees will work remotely*
- *Increased raw material purchases at our manufacturing locations*
- *Increased stock of all of our packaged materials at our warehouses*

Planning is key to our success to ensuring we meet everyone's needs during this period. We ask your team keep us informed of any material changes to your particular needs or demand pattern.

If helpful to your Organization, Univar will extend our current bulk water treatment chemical supply agreements on the following terms:

- ***Sodium Hypochlorite: honor the current pricing and extend any of our current supply contract for another year.***
- ***Sodium Hydroxide: A \$50 per dry short ton reduction in current pricing and extend any of our current supply contract for another year***
- ***Sodium Bisulfite: honor the current pricing and extend any of our current supply contract for another year***

Please let your Univar municipal specialist know if this of value to your community and supply planning.

Thank you for your trust and your business

Univar Solutions

From: [Schroeder, Michele](#)
 To: [Gemma, Lathi](#)
 Cc: [Ryno, Betty](#); [Naranjo, Robert](#)
 Subject: RE: BACC Bids and COVID-19 situation
 Date: Tuesday, March 24, 2020 12:09:23 PM
 Attachments: [image002.png](#)

[EXTERNAL – check for red flags]

Good afternoon, Gemma,

Hope you are doing well & staying safe during this unprecedented time as well!

We do not anticipate any supply chain interruption. Our key raw materials are procured from North American sites and we are back loaded as well with our Sulfuric Acid and Alumina TriHydrate suppliers. Additionally, we are able to source product from other Chemtrade locations due to our 39 water plants in North America. I don't believe other Alum suppliers would have this same infrastructure available in the event of any disruption. During this uncertain time, we believe it would be risky to change suppliers.

The data below shows last's bid results and our offer on renewal below that.

If the BACC agencies decided to extend for 6 months or for 12 months beginning 7/1, the renewal offer would be: \$0.8968/Gal delivered on Alum, \$1.0153/Gal delivered for 5% Acidized and \$1.092/Gal delivered for 7% Acidized.

2019-2020 BACC Bid Results 44.49% Alum Liquid Solution Unit Price Per Gallon							
Name of Bidder						Optional 5% Acidized Unit Price per Gal	Optional 7% Acidized Unit Price per Gal
	Central Valley	North Bay	Sacramento	South Bay	Tri Valley	North Bay	North Bay
Chemtrade Logistics US LLC	\$0.7717	\$0.7617	\$0.7481	\$0.7838	\$0.7717	\$0.8084	\$0.8864
Thatcher Company of California, Inc.	\$1.0152	\$1.0152	\$1.0152	\$1.0152	\$1.0152	\$1.4979	\$1.5716
Univar USA	no bid	no bid	no bid	no bid	no bid	no bid	no bid

Chemtrade's Renewal Offer effective July 1, 2020 44.49% Alum Liquid Solution Unit Price Per Gallon							
Name of Bidder						Optional 5% Acidized Unit Price per Gal	Optional 7% Acidized Unit Price per Gal
	Central Valley	North Bay	Sacramento	South Bay	Tri Valley	North Bay	North Bay
Chemtrade Logistics US LLC	\$0.8968	\$0.8968	\$0.8968	\$0.8968	\$0.8968	\$1.0153	\$1.0920

Please let us know if the agencies decide to bid out the requirements or renew for a period of 6 or 12 months.
 Stay safe and be well!

Thank you!

Best Regards,

Michele Schroeder
 Business Manager
 Chemtrade Logistics Inc.
 90 E Halsey Rd. Parsippany, NJ 07054-3713
Office: (973) 515 1841 | **Cell:** (862) 309-0083
E-mail: m Schroeder@chemtradelogistics.com | **Website:** www.chemtradelogistics.com

From: [Mike Mitchell](#)
To: [Gemma Lathi](#)
Subject: BACC Renewals
Date: Monday, March 23, 2020 11:52:50 AM

[EXTERNAL – check for red flags]

Gemma,

I hope that you are well and staying healthy.

This is a follow-up email to our conversation this morning.

We are evaluating holding the prices on both chlorine and ferric chloride; this is all about having our suppliers hold our costs as well for another 12 months. We have reached out to our suppliers for their commitment.

In regards to supply/logistics, we currently do not have any supply/delivery issues for any of our raw materials required to support the BACC. This includes aluminum sulfate, chlorine, ferric chloride, calcium nitrate, sodium bisulfite or any other product required from the BACC. While we are not a supplier to many of these commodities, we have no issue supporting BACC customers in the event your primary distributors cannot meet your requirements.

In addition to supply, we have multiple facilities that we can support BACC customers to include: Stockton, Sacramento, Sparks, NV, Henderson, NV and Salt Lake City.

Regardless, I will follow-up with you promptly on BACC renewals for 2020-2021 contract year.

Mike

Michael Mitchell
Thatcher Company
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Gemma Lathi

From: Schabacker, John M TRAC <JMSchabacker@olin.com>
Sent: Tuesday, March 24, 2020 11:32 AM
To: Gemma Lathi
Cc: 'Lorien Fono'; Jones, Bret S TRAC; Eells, Kathy E TRAC
Subject: RE: BACC bids

[EXTERNAL – check for red flags]

Hello Gemma,

Yes, as long as renewals are confirmed in writing and bids cancelled before the bid due dates. I believe it may be in every ones' best interests to do so given the current uncertainty of supply due to COVID-19.

Also,

You may recall, some BACC members did not follow your awards to Olin from last years' bid due to some biased false rumors that were circulated in the Sacramento region and disproven. As a result we received less business than we deserved based on lowest bid prices. Our costs and prices were based upon the volume of a full award of all the associated regional member agencies. As the lead agency, can you ask them in good faith to please follow your awards to Olin for this next term?

Thank you,



John M. Schabacker
Business Director – West Bleach
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From: Gemma Lathi <lathi@dsrsd.com>
Sent: Tuesday, March 24, 2020 11:08 AM
To: Schabacker, John M TRAC <JMSchabacker@olin.com>
Cc: 'Lorien Fono' <lfono@bacwa.org>; Jones, Bret S TRAC <BSJones@olin.com>; Eells, Kathy E TRAC <KEEells@olin.com>
Subject: RE: BACC bids

<< THIS EMAIL ORIGINATED FROM OUTSIDE OF OLIN >>

Good morning John,

Would Olin be willing to offer the same prices for any chemicals under BACC contract this year should the agencies exercise the renewal option for next year? That is, if all BACC bids are canceled this year.

Thanks and regards,
Gemma