



AGENDA MEMORANDUM
Action Item for the City Council Meeting August 8, 2023

DATE: August 8, 2023

TO: Peter Zanoni, City Manager

FROM: Drew Molly, Director of Water Systems and Support Services
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Supply Agreement for 50% Liquid Caustic Soda

CAPTION:

Resolution authorizing a one-year supply agreement with two additional one-year option periods with Brenntag Southwest Inc. of Lancaster, Texas for 50% liquid caustic soda, for Corpus Christi Water in an amount not to exceed \$5,000,000.00 and a potential amount up to \$15,000,000.00, if all options are exercised, with FY 2023 funding of \$699,021 from the Water Fund.

SUMMARY:

This is a supply agreement for 50% liquid caustic soda solution for the O.N. Stevens Water Treatment Plant.

BACKGROUND AND FINDINGS:

Liquid Caustic Soda Solution is utilized at the O. N. Stevens Water Treatment Plant for pH adjustment during water treatment. By raising the pH, a more stable environment is created for monochloramine residuals. In addition, adjusting the pH protects and extends the life of distribution piping.

PROCUREMENT DETAIL:

Finance-Procurement conducted an informal quote request and received one responsive response and one unresponsive response. This procurement is exempt from the bidding requirements of Chapter 252 of the Texas Local Government Code as authorized by Section 252.022(a)(2) as it necessary to preserve or protect the public health and safety of the City's

residents. The City has chosen to use an informal procurement process to determine the most advantageous supplier. This chemical is necessary for the treatment of potable water and adjust the pH of water during treatment. Procurement staff believes that is in the best interest of the City's residents to enter into an agreement with Brenntag Southwest Inc. to avoid any interruption in the City's supply of 50% liquid caustic soda.

The price of this chemical in 2022 was \$407.50 per wet ton and the new quote is \$390.00 per wet ton which is a 4.3% costs savings.

ALTERNATIVES:

An alternative to securing a long-term supply agreement is to purchase the liquid caustic soda solution through short-term supply agreements. This method of transactions may cause delays in the shipment of this critical chemical used for the treatment of potable water.

FISCAL IMPACT:

The fiscal impact to the Corpus Christi Water Department in FY 2023 is an amount estimated at \$699,021.00.

FUNDING DETAIL:

Fund:	4010 Water
Organization/Activity:	31010 Stevens Filter Plant
Mission Element:	45 Water
Project # (CIP Only):	N/A
Account:	520010 Purification Chemicals

RECOMMENDATION:

Staff recommends approval of the resolution authorizing execution of the supply agreement with Brenntag Southwest Inc. as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
Bid Tabulation