



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of June 29, 2021

**DATE:** June 29, 2021  
**TO:** Peter Zaroni, City Manager  
**FROM:** Kevin Norton, Director of Water Utilities  
[KevinN@cctexas.com](mailto:KevinN@cctexas.com)  
(361) 826-1874

Josh Chronley, Assistant Director of Contracts and Procurement  
[JoshC2@cctexas.com](mailto:JoshC2@cctexas.com)  
(361) 826-3169

### Liquid Chlorine 1-Ton Cylinders for O. N. Stevens Water Treatment Plant

#### **CAPTION**

Motion authorizing a one-year supply agreement with DPC Industries, Inc. of Corpus Christi, Texas in an amount not to exceed \$103,000.00 for Liquid Chlorine in 1-ton Cylinders for O.N. Stevens Water Treatment Plant, with FY 2021 funding in an estimated amount of \$34,334.00 available through the Water Fund.

#### **SUMMARY:**

This motion authorizes the establishment of a one-year supply agreement with DPC Industries, Inc. for a supply agreement for the O. N. Stevens Water Treatment Plant.

#### **BACKGROUND AND FINDINGS:**

The liquid chlorine will be used in treatment of potable (drinking) water. Liquid chlorine is defined as the commercially available form of liquefied elemental chlorine gas. Chlorine is the disinfectant used at the beginning of the treatment process to reduce organic nutrients in the raw water. The liquid chlorine 1-ton cylinders are a secondary system and only used when the primary feed system is offline.

#### **PROCUREMENT DETAIL:**

Contracts and Procurement conducted a competitive Request for Bid process to obtain bids for a new contract. The City received one responsive bid, and one unresponsive bid. Staff is recommending the award to the lowest, responsive, responsible bidder, DPC Industries Inc. DPC, Industries Inc. is the incumbent supplier of liquid chlorine. Prices of

liquid chlorine have fluctuated, and the price increase for new contract per 1-ton cylinder has increased 108% from year 2019.

**ALTERNATIVES:**

The alternative is to not purchase 1-ton cylinders and only rely on the use of the liquid chlorine from the railcar only, but if there is an emergency and a railcar cannot be used or delivered, we run the risk of not having liquid chlorine for treatment of potable drinking water.

**FISCAL IMPACT:**

The fiscal impact for the Utilities Department in FY2021 is \$34,334.00. The remaining cost in the amount of \$68,666.00 will be budgeted next fiscal year through the annual budget process.

**FUNDING DETAIL:**

Fund:	4010	Water Fund
Organization/Activity	31010	Stevens Filter Plant
Mission Element	062	Treat Water
Project # (CIP only)	N/A	
Account:	520010	Purification Chemicals

**RECOMMENDATION:**

Staff recommends approval of the action as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement