



AGENDA MEMORANDUM

Action Item for the City Council Meeting November 15, 2022

DATE: November 15, 2022

TO: Peter Zaroni, City Manager

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Supply agreement for the purchase of Liquid Chlorine One-Ton Cylinders for O. N. Stevens Water Treatment Plant

CAPTION:

Resolution authorizing a one-year supply agreement with DPC Industries, Inc., of Corpus Christi, for the purchase of liquid chlorine in one-ton cylinders, for O. N. Stevens Water Treatment Plant, in an amount not to exceed \$156,000.00, with FY 2023 funding from the Water Fund.

SUMMARY:

This resolution authorizes a one-year supply agreement with DPC Industries, Inc. for liquid chlorine in one-ton cylinders for the O. N. Stevens Water Treatment Plant.

BACKGROUND AND FINDINGS:

Chlorine is the disinfectant used in the treatment process to produce potable (drinking) water.

Liquid chlorine (provided in one-ton cylinders) is a supplemental delivery supply when the primary supply system (i.e. 90 ton rail-cars) is unavailable. The cylinders are delivered via truck to the water treatment plant.

Liquid chlorine is vital to operations and any interruption in supply could adversely impact our ability to produce treated water. Supply for liquid chlorine is very limited in our area. The manufacturer refuses to sell direct, and no other reseller has interest in operating in our market.

DPC Industries has supplied liquid chlorine to the City of Corpus Christi since 2010.

PROCUREMENT DETAIL:

This chemical is necessary for treatment of potable (drinking) water. Procurement staff believes that it is in the best interest of the City’s residents to enter into an agreement with DPC Industries, Inc. to avoid any interruption in the City’s supply of liquid chlorine one-ton cylinders in accordance with Local Government Code, Section 252.022(a)(2), as this purchase is necessary to preserve or protect the public health or safety of the City’s residents.

Pricing is consistent with the prior agreement of \$2,500 per cylinder and a \$50 rental fee for the chlorine cylinders.

ALTERNATIVES:

The alternative is to not purchase one-ton cylinders and only rely on the use of the liquid chlorine from rail cars, but if there is an emergency and a rail car 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 FY2023 is \$156,000.00.

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 this resolution authorizing a one-year supply agreement with DPC Industries, Inc. as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Supply Agreement