



AGENDA MEMORANDUM

Action Item for the City Council Meeting of January 28, 2020

DATE: January 28, 2020

TO: Peter Zaroni, City Manager

FROM: Kevin Norton, Director of Water Utilities
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<p>Supply Agreement for Liquid Chlorine in Railcars for Water Treatment for the O.N. Stevens Water Treatment Plant</p>

CAPTION:

Motion authorizing a two-year supply agreement with DPC Industries, Limited Partnership of Houston Texas, for an amount not to exceed \$579,162.80, for the purchase of Liquid Chlorine in Railcars to be used during the water treatment process as the primary disinfectant at O.N. Stevens Water Treatment Plant, effective upon issuance of notice to proceed, with FY2020 funding in an estimated amount of \$193,054.26 available through the Water Fund.

SUMMARY:

This is a supply agreement for liquid chlorine for the O.N. Stevens Water Treatment Plant. Chlorine is used to disinfect the water and make it safe for public consumption.

BACKGROUND AND FINDINGS:

Chlorine is the disinfectant used during the water treatment process. Disinfection is done at the beginning of the treatment process to reduce organic nutrients in the raw water and as a final polishing before distribution to the City.

The City currently receives liquid chlorine in railcar from Brenntag Southwest Inc of Lancaster, Texas. The current twelve-month supply agreement, Contract 1923, expires February 14, 2020, and has no extensions. The total amount not to exceed \$303,288.00 is for a quantity of 1,260 tons plus 200 days of detention charges if needed. Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids for a new contract. The City received two responsive, responsible bids, and is recommending award to the lowest, responsive, responsible bidder, DPC Industries,

Limited Partnership.

ALTERNATIVES:

There is no feasible alternative to meet production demand. Not using chlorine will result in a failure to protect the public from harmful conditions in the water and in regulatory noncompliance violations with the Environmental Protection Agency and the Texas Commission on Environmental Quality. A future capital improvement project for on-site chlorine generation is in design with construction completion expected in 2024.

FISCAL IMPACT:

The fiscal impact to the Utilities Department is an amount not to exceed \$579,162.80 for this two-year supply agreement for the purchase of liquid chlorine in railcar, which is the primary disinfectant used during the water treatment process. Approximately \$193,054.26 is required for FY2020, and the remaining cost will be budgeted in future years through the annual budget process. The current supply agreement that expires in February 2020 is for twelve months and not to exceed \$303,288.00.

Funding Detail

Fund:	4010 Water
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 motion authorizing a two-year supply agreement with DPC Industries, Limited Partnership of Corpus Christi, Texas, for the purchase of liquid chlorine in railcar as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
Bid Tabulation