

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: August 25, 2015		DATE SUBMITTED: August 7, 2015	
DEPARTMENT OF ORIGIN: Water Services		SUBMITTED BY: M. Jurica	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input checked="" type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input checked="" type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input checked="" type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: Consider approving an annual price agreement for purchase of chlorine gas with Brenntag Southwest, Inc. of Houston, Texas in the amount of \$146,415.00.			
<p>SUMMARY STATEMENT: On August 06, 2015, two (2) sealed bids were received and opened for chlorine gas. The bid providing the best value to the City of Bryan was the lowest bid as submitted by Brenntag Southwest, Inc. (\$146,415.00). This is an increase of \$44,165.00 from the City's current price agreement for chlorine with Brenntag. On July 21, 2015, Brenntag declined to extend service with the City. Brenntag stated that the chlorine industry has experienced a significant increase in raw material costs and could not continue to provide service without increasing prices past the contract maximum increase (8%). Chlorine cylinder counts (e.g. quantity) were held static between the current bid and previous service agreement with Brenntag. The received bid responses are reflective of market conditions.</p> <p>Chlorine gas is used by both water production and wastewater treatment facilities for disinfection purposes. The Texas Commission on Environmental Quality (TCEQ) requires the use of chlorine in the treatment of water for potable use. TCEQ also requires treated effluent from a wastewater treatment plant to undergo disinfection from an approved method before being released into the waterways of Texas. The City currently uses chlorine gas to meet this permit requirement (Burton Creek and Still Creek WWTPs). This contract is for the annual estimated needs of both departments.</p> <p>Historical annual purchases for chlorine gas are as follows:</p> <ul style="list-style-type: none"> • Current BPO #150203: \$69,033.00 (as of August 5, 2015) • BPO #131195: \$83,200.00 • BPO #131072/#121099: \$78,208.86 • BPO #111145: \$153,073.05 • BPO #101118: \$150,520.29 • BPO #091286: \$120,707.10 <p>Water Services respectfully request the City Council approve an annual price agreement for purchase of chlorine with Brenntag Southwest, Inc. in an amount not to exceed \$146,415.00. The City of Bryan has the option of extending this price agreement subject to approval of funding and review of the service provided by the vendor. The agreement allows for a price escalation capped at 8% over the four (4) additional one (1) year extension periods, which is a possible total of five (5) years.</p>			
STAFF ANALYSIS AND RECOMMENDATION: Water Services respectfully request the City Council approve this price agreement with Brenntag Southwest, Inc. of Houston, Texas in the amount of \$146,415.00. Chlorine is a critical component in the disinfection of drinking water and wastewater treatment effluent. The Texas Commission on Environmental Quality (TCEQ) requires the use of chlorine in the treatment of water for potable use. TCEQ also			

requires treated effluent from a wastewater treatment plant to undergo disinfection from an approved method before being released into the waterways of Texas. The City currently uses chlorine gas to meet this permit requirement (Burton Creek and Still Creek WWTPs).

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the price agreement
2. Do not approve the price agreement and provide alternative direction

ATTACHMENTS: Bid Tab (pdf)

FUNDING SOURCE: Water (510) and Wastewater (515) Operating Funds (as budgeted)

APPROVALS: Jayson E. Barfknecht 08/07/15; Hugh R. Walker, 08/09/2015

APPROVED FOR SUBMITTAL: CITY MANAGER

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 08/16/2015

Revised 05/2013