

MEMORANDUM

TO: Donna Barron, City Manager

THROUGH: David Erb, Finance Director

FROM: Tracey Ogurek, Purchasing Manager

DATE: July 19, 2021

SUBJECT: **Approval of a Bid Award for an Annual Requirements Agreement for Liquid Chlorine to DPC Industries Inc., Cleburne, TX, for the Estimated Amount of \$246,598; and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

A bid invitation was created and posted on Periscope S2G June 18, 2021. Specifications were created in accordance with Texas Local Government Code Chapter 252.043, *Award of Contract*. Specifications under this chapter of the law state the award is to be made on the basis of the best value for the municipality.

In determining the best value for the municipality, the municipality may consider, among other things: (1) the purchase price; (2) the quality of the bidder's goods or services; and (3) the extent to which those goods or services meet the municipality's needs.

DPC was awarded our current contract for Liquid Chlorine on July 15, 2019. During the term of the contract, including any extension thereof, no unit price may be increased by more than 25% of the original bid price per Local Government Code 252.048, *Change Orders*. DPC requested an increase of 14% in March of 2021 and the price increase was approved by staff and management. DPC requested an additional 18% effective July 1, 2021, making the total request 32% for the duration of the contract. Therefore, we could not accept the second price increase as requested and were required to rebid this contract.

ANALYSIS

Sealed bids were due July 15, 2021, and one (1) bid was received. In the past we have received bids for liquid chlorine from two bidders, DPC Industries Inc, and Brenntag Southwest, Inc. These two bidders supply one-ton cylinders of liquid chlorine in our area. Brenntag was contacted and declined to submit pricing. Historically, Brenntag's pricing has been nearly twice that of DPC Industries.

RECOMMENDATION

That the City Council approve the award and authorize the City Manager to execute the agreement as set forth in the caption above.