



Long Beach Water

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1800 E. Wardlow Road, Long Beach, CA 90807-4931
562.570.2300 | lbwater.org

Board of Water Commissioners
July 8, 2021 Board Meeting

CHRISTOPHER J. GARNER, General Manager

Subject:

Authorize the General Manager to amend the agreement with JCI Jones Chemicals Inc., to furnish and deliver Liquid Chlorine from a total amount of \$250,000 to \$275,000 for the current contract year, and to maintain the authorization for the General Manager to exercise the option to renew for two additional one-year periods, subject to a maximum annual increase of 10 percent.

Executive Summary:

Liquid Chlorine is a water treatment chemical used at Long Beach Ground Water Treatment Plant.

On December 17, 2020, the Board of Water Commissioners authorized the execution of an agreement with JCI Jones Chemicals Inc., to furnish and deliver Liquid Chlorine in an amount not to exceed \$250,000 in accordance to Bid Specification WD-06-21. A contract was established with JCI Jones Chemicals Inc. for this service, effective on 3/31/2021.

On June 2, 2021, JCI Jones Chemicals, Inc. issued a price increase notification to Long Beach Water Department (LBWD). Subsequently, JCI Jones issued a force majeure declaration on June 14, 2021 due to the nationwide supply shortage from one of the major chlorine manufacturers. LBWD staff investigated alternative suppliers and no one was able to provide the liquid chlorine outside of their existing contracts. The only available alternative was to purchase water from Metropolitan Water District, which would be significantly more than the proposed liquid chlorine price increase.


Staff Recommendation:

Authorize the General Manager to amend the agreement with JCI Jones Chemicals Inc., to furnish and deliver Liquid Chlorine from a total amount of \$250,000 to \$275,000 for the current contract year, and to maintain the authorization for the General Manager to exercise the option to renew for two additional one-year periods, subject to a maximum annual increase of 10 percent.

Fiscal Impact: The cost to the Water Fund will be incurred during FY21 and FY22, with the actual annual amounts unknown at this time but the total amount will not exceed the new contract total of \$275,000 for the first contract term. The original costs were included in the FY21 and FY22 budget and the cost increase can be adsorbed in the FY22 Water Fund.

 6/30/21

Tai J. Tseng Date
Assistant General Manager-Operations

 6/30/21

Christopher J. Garner Date
General Manager

Attachment

Liquid Chlorine Pricing Change

	VENDOR	UNIT PRICE (\$/DRY TON)
Old Pricing	JCI Jones Chemicals Inc.	\$500.00
New Pricing	JCI Jones Chemicals Inc.	\$550.00