



Long Beach Water

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Board of Water Commissioners

CHRISTOPHER J. GARNER, General Manager

November 18, 2021 Board Meeting

Subject

Authorize the General Manager to amend an existing agreement with JCI Jones Chemicals Inc., to furnish and deliver liquid chlorine, increasing the contract amount by \$50,000 for a total amount not to exceed \$375,000 for the remaining contract year.

Executive Summary

Liquid chlorine is a water treatment chemical used at the Long Beach Ground Water Treatment Plant. The Board of Water Commissioners (Board) authorized the execution of an agreement with JCI Jones Chemicals Inc. (JCI), to furnish and deliver liquid chlorine in an amount not to exceed \$250,000 in accordance with Bid Specification WD-06-21, effective March 31, 2021. In June 2021, JCI's chlorine supplier (Westlake Chemicals) declared a Force Majeure, and JCI subsequently issued a notice of price increase. On July 8, 2021, the Board authorized an amendment to the agreement with JCI, increasing the contract amount by \$25,000 from \$250,000 to \$275,000. On September 23, 2021, Board authorized a second amendment, increasing the contract amount by \$50,000 from \$275,000 to \$325,000 as the nationwide shortage persisted.

On November 9, 2021, JCI issued a third price increase notice, citing the continuation of nationwide raw material shortage. Staff inquired with other local water agencies, as well as alternative chemical distributors, and confirmed the supply shortages. The other available alternative is to purchase water from Metropolitan Water District, which would be significantly more expensive than the proposed liquid chlorine price increase. Thus, staff recommends approving the price increase for the remaining contract year.

Recommendation

Authorize the General Manager to amend the existing agreement with JCI Jones Chemicals Inc., to furnish and deliver liquid chlorine, increasing the contract amount by \$50,000 for a total amount not to exceed \$375,000 for the remaining contract year.

Fiscal Impact: The cost to the Water Fund will be incurred during FY22, with the actual annual amount unknown at this time but the total amount will not exceed the new contract total of \$375,000 for the contract term. The original costs were included in the FY22 budget and the cost increase can be adsorbed in the FY22 Water Fund.

Tai J. Tseng
Assistant General Manager - Operations

Christopher J. Garner
General Manager

Attachment

Liquid Chlorine Pricing Change

	VENDOR	UNIT PRICE (\$/DRY TON)
Old Pricing	JCI Jones Chemicals Inc.	\$500.00
1 st Pricing Increase	JCI Jones Chemicals Inc.	\$550.00
2 nd Pricing Increase	JCI Jones Chemicals Inc.	\$720.00
3 rd Pricing Increase	JCI Jones Chemicals Inc.	\$950.00