

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: December 2, 2024

Topic:

Approve a services agreement renewal with PVS DX, Inc. (formally DXI Industries, Inc.) for the purchase of chlorine and sulfur dioxide gas for water treatment for Fiscal Year 2025, for a not-to-exceed amount of \$225,000 (Bid No. 2024-04), approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents related to the purchases. These expenditures are included in the fiscal year 2024-2025 budget.

Background:

The proposed services agreement renewal with PVS Chemicals, Inc. (formally DXI Industries, Inc.) is a one-year renewal, beginning December 4, 2024 and expiring December 3, 2025, with the option for four additional one-year renewals remaining. DXI Industries was selected through the competitive sealed bid process (Bid No. 2024-04), which allowed interested parties to submit sealed bids for the chemicals required for water treatment and one bid was received. The City had used DXI in the past to provide the required chemicals and had a positive experience with the services and products provided.

In December 2023, staff received notification that DX Group (DXI Industries) merged all entities under DX Group to streamline their organization to “PVS DX, Inc.”

This item authorizes the renewal of the annual services agreement renewal with PVS DX, Inc. for the purchase of chlorine and sulfur dioxide gas based on the amount included in the adopted fiscal year 2025 budget and submitted pricing for chemicals. The proposed pricing per cylinder remains the same with no increase for the contract renewal period. In addition to the chemical cost, the required excise tax is accounted for in annual contract amount. The excise tax is an environmental tax that no entity is exempt for paying as it imposed on chemicals such as chlorine gas. Staff is increasing the not-to-exceed contract amount by \$5,635 to account for additional chlorine required for higher pumping during summer months.

Chemical	Price per Cylinder	Estimated Quantity	Estimated Annual Purchases
Chlorine Gas (150 pounds)	\$281.00	275	\$72,275.00
Chlorine Gas (1 ton)	\$2,097.00	50	\$104,850.00
Sulfur Dioxide Gas (1 ton)	\$2,097.00	20	\$41,940.00
Other – Excise Tax	N/A	N/A	\$300.00
Allowance for additional chemicals	N/A	N/A	\$5,635.00
Estimated Annual Contract: \$225,000 per year			

Origination: Public Works Department

Recommendation:

Staff recommends approving a services agreement with PVS DX, Inc. for the purchase of chlorine and sulfur dioxide gas for an amount no-to-exceed \$225,000.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: #600-613-6110 & 600-614-6110

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date