



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 8, 2025

DATE: April 8, 2025

TO: Peter Zanoni, City Manager

FROM: Nicholas Winkelmann, P.E. Director of Water Systems and Support Services
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Supply Agreement of Liquid Ammonium Sulfate

CAPTION

Resolution authorizing a one-year supply agreement with two additional one-year option periods, with Chemtrade Chemicals US, LLC, of Parsippany, New Jersey, for the purchase of liquid ammonium sulfate for Corpus Christi Water in an amount of \$620,532.00, with a potential amount of \$2,412,846.00 if options are exercised, with FY 2025 funding of \$310,266.00 from the Water Fund.

SUMMARY:

This resolution authorizes a one-year supply agreement with a one-year option with Chemtrade Chemicals US, LLC for liquid ammonium sulfate for the O. N. Stevens Water Treatment Plant.

BACKGROUND AND FINDINGS:

Liquid Ammonium Sulfate solution is used in the disinfection process to produce potable (drinking) water at the O. N. Stevens Water Treatment Plant. Liquid Ammonium Sulfate is combined with chlorine to form a combined chlorine disinfectant that is stable in the City's long and extensive water distribution system. Liquid Ammonium Sulfate is key to producing a combined chlorine disinfectant that meets state and federal drinking water standards.

Chemtrade manufactures the liquid ammonium sulfate at their water chemical production plant in Odem, Texas. The proximity of this production plant to the O.N. Stevens Water Treatment Plant allows for cost-effective and timely shipping of products provided by Chemtrade. The current contract price is \$284.00/Ton, and it is with Chemtrade Chemicals US, LLC. However, the vendor has requested a price decrease of \$14.40/Ton

due to their decreased costs for raw material and freight which will decrease our contract price to \$269.60 per ton.

PROCUREMENT DETAILS:

Liquid Ammonium Sulfate is a critical component for proper disinfection for our water system. Procurement staff believes that it is in the best interest of the City’s residents to enter into an agreement with Chemtrade Chemicals US, LLC to avoid any interruption in the City’s supply of liquid ammonium sulfate in accordance with Local Government Code, Section 252.022(a)(2), as this purchase is necessary to preserve or protect the public health or safety of the City’s residents.

The comparison table below illustrates the decrease in price per wet ton for liquid ammonium sulfate for the current year. Depending on market conditions and supply chain issues, the unit price per wet ton may subsequently decrease or increase.

Description	Unit	2023 Price	2025 Price	Variance	Percentage Decrease
Liquid Ammonium Sulfate	Tons	\$345.00	\$269.60	-\$75.40	22%
Unloading Delay	Hrs	\$75.64	\$75.64	\$0.00	0%

ALTERNATIVES:

The alternative is to not purchase liquid ammonium sulfate which would result in a finished treated water that will not meet drinking water standards in the distribution system.

FISCAL IMPACT:

The fiscal impact for the Corpus Christi Water in FY2025 is \$310,266.00 from the Water Fund.

Funding Detail:

Fund: 4010 Water
Organization/Activity: 31010 Stevens Filter Plan
Department : 45 Water
Project # (CIP Only): N/A
Account: 520010 Purification Chemicals

RECOMMENDATION:

Staff recommends approval of the motion with Chemtrade Chemicals US, LLC as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement