



AGENDA MEMORANDUM

Action Item for the City Council Meeting March 28, 2023

DATE: March 28, 2023

TO: Peter Zaroni, City Manager

FROM: Drew Molly, P.E. Director of Water Systems and Support Services
DrewM@cctexas.com
(361) 826-1853

Josh Chronley, Assistant Director of Contracts and Procurement
Joshc2@cctexas.com
(361) 826-3169

Supply Agreement for Liquid Aluminum Sulfate

CAPTION

Resolution authorizing a one-year supply agreement, with one option, with Chemtrade Chemicals US, LLC, of Parsippany, New Jersey, for the purchase of liquid aluminum sulfate for Corpus Christi Water in an amount not to exceed \$3,358,282.00 for the initial term and in an amount not to exceed \$4,834,282.00 if the option is exercised, for a combined potential amount not to exceed \$8,192,564.00, with FY 2023 funding of \$1,760,750.00 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 aluminum sulfate for the O. N. Stevens Water Treatment Plant.

BACKGROUND AND FINDINGS:

Liquid aluminum sulfate is used in the treatment of potable (drinking) water as a primary coagulant. Coagulation causes fine particles in untreated water to bind together to form larger particles that will either settle out in the sedimentation basins or will be removed by the filters. The liquid is delivered via truck to the water treatment plant and stored on site in chemical storage tanks. Coagulation is a critical step to ensure the treatment plant meets state and federal drinking water standards for turbidity and total organic removal.

The current contract price is \$124.00/Ton and it is with Chemtrade Chemicals US, LLC. However, the vendor has requested a price increase of \$42.21/Ton due to their increased costs for raw material and freight which increases our contract price to \$166.21 per ton.

PROCUREMENT DETAILS:

This chemical is used as a primary coagulant 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 aluminum 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.

ALTERNATIVES:

Since our facility does not have membrane filters, there is no alternative to using a coagulant.

FISCAL IMPACT:

The fiscal impact for the Corpus Christi Water in FY2023 is \$1,760,750.00.

Funding Detail:

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

RECOMMENDATION:

Staff recommends approval of the motion authorizing this supply agreement with Chemtrade Chemicals US, LLC as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
Resolution