



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 8, 2025

DATE: April 8, 2025

TO: Peter Zaroni, City Manager

FROM: Nicholas Winkelmann, P.E. Director of Water Systems and Support Services
Nickw@cctexas.com
(361) 826-1796

Sergio Villasana, Director, Finance & Procurement
sergio2@cctexas.com
(361) 826-3227

Supply Agreement of Liquid Aluminum Sulfate

CAPTION

Motion authorizing execution of supply agreement for one year with the option to extend for two additional one-year periods, with Chemtrade Chemicals US, LLC, of Parsippany, New Jersey, for the purchase of liquid aluminum sulfate for Corpus Christi Water in an amount of \$4,253,082.00, with a potential amount of \$16,424,346.00 if options are exercised, with FY 2025 funding of \$2,126,541.00 from the Water Fund.

SUMMARY:

This resolution authorizes a one-year supply agreement with two one-year options 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 can be removed in the treatment process. Coagulation is a critical step to ensure the treatment plant meets state and federal drinking water standards for turbidity and total organic removal.

Chemtrade manufactures the liquid aluminum 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 \$168.28/Ton and it is with Chemtrade Chemicals US, LLC. However, the vendor has requested a price increase of \$24.87/Ton due to their

increased costs for raw material and freight which increases our contract price to \$193.15/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.

The comparison table below illustrates the decrease in price per wet ton for liquid aluminum 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 Increase
Liquid Aluminum Sulfate	Wet Tons	\$168.28	\$193.15	\$26.94	14%
Unloading Delay	Hrs	\$75.64	\$75.64	\$0.00	0%

The table shows the adjustment in costs for liquid aluminum sulfate.

Full Truckload Deliveries	Current Base Price	Acid Change	Hydrate Change	Freight Change	Operating Cost of Manufacture	New Base Price Effective 2/18/2025 - 8/17/2025
Liquid Aluminum Sulfate	\$168.28/T	\$4.07/T	\$10.15/T	\$2.65/T	\$8.00/T	\$193.15/T

ALTERNATIVES:

The alternative is to not to enter into a contract to purchase Liquid Aluminum Sulfate which will negatively affect the effective treatment of raw water and will impact the potable water distributed from the O.N. Stevens Water Treatment Plant.

FISCAL IMPACT:

The fiscal impact for CCW in FY 2025 is an amount of \$2,126,541.00 from the Water Fund.

Funding Detail:

Fund:	4010 Water Fund
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