



## 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  
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### Supply Agreement for Liquid Ammonium 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 ammonium sulfate for Corpus Christi Water in an amount not to exceed \$790,532.00, for the initial term and in an amount not to exceed \$1,144,532.00 if the option is exercised, for a combined potential amount not to exceed \$1,935,064.00, with FY 2023 funding of \$422,250.00 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. The liquid is delivered via truck to the water treatment plant and stored on site in chemical storage tanks. Liquid Ammonium Sulfate is key to producing a combined chlorine disinfectant that meets state and federal drinking water standards.

The current contract price is \$219.00/Ton, and it is with Chemtrade Chemicals US, LLC. However, the vendor has requested a price increase of \$126.00/Ton due to their increased costs for raw material and freight which increases our contract price to \$345.00 per ton.

**PROCUREMENT DETAILS:**

This chemical is used to form a combined chlorine disinfectant 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.

**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 FY2023 is \$422,250.00.

**Funding Detail:**

Fund:	4010 Water
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