



AGENDA MEMORANDUM

Future Item for the City Council Meeting of June 19, 2018
Action Item for the City Council Meeting of June 26, 2018

DATE: June 19, 2018

TO: Keith Selman, Interim City Manager

FROM: Dan Grimsbo, Executive Director of Utilities
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Amendment to Liquid Aluminum Sulfate Supply Agreement
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CAPTION:

Motion authorizing Amendment No. 3 to Supply Agreement No. 1072 with Chemtrade Chemicals US, LLC of Parsippany, New Jersey, for the purchase Liquid Aluminum Sulfate for the Utilities Department, for a total increased amount not to exceed \$63,180 and a restated total not to exceed \$3,363,260.

PURPOSE:

The purpose of this Agenda Item is to allow a price increase beginning July 11, 2018 from \$117.86 to \$122.71 a difference of \$4.85 per wet ton and \$63,180.00 for the remaining eleven months of the contract for an updated not to exceed amount of \$3,363,260.00.

BACKGROUND AND FINDINGS:

Liquid Aluminum Sulfate is used for water treatment as a primary coagulant. Coagulants cause very fine particles to clump together into larger particles that will either settle out in the sedimentation basins or will be removed by the filters.

On May 14, 2018, the City received a letter to increase the price of this chemical from \$117.86 to \$122.71 per wet ton. The initial contract period was for one year, ending June 11, 2018 and two additional one-year periods. The vendor agreed to hold the pricing at the current rate for the first month to allow staff time to seek approval.

ALTERNATIVES:

None

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

This conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Not applicable

DEPARTMENTAL CLEARANCES:

Utilities

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year 2017-2018	Current Year	Future Years	TOTALS
Budget	\$7,924,177.02	\$47,385.00	\$7,971,562.02
Encumbered / Expended Amount	\$3,984,911.19	\$0.00	\$3,984,911.19
This item	\$15,795.00	\$47,385.00	\$63,180.00
BALANCE	\$3,923,470.83	\$0.00	\$3,923,470.83

Fund(s): Water Fund

Comments: The eleven-month increase will cost \$63,180.00 with the amount of \$15,795.00 to be paid from FY2017-18 funds.

RECOMMENDATION:

City staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Supply Agreement