



MEMORANDUM

TO: Mayor and City Councilmembers
Steve Parker, City Manager

FROM: Twila Wood, Purchasing Manager

DATE: May 18, 2022

RE: Contract Renewal for Liquid Aluminum Sulfate

City Council approved the award of a bid in May 2020 for an annual contract to provide the water treatment chemical liquid aluminum sulfate for use by the Water Utilities Department. Brenntag Southwest, Inc., was awarded the contract for 6.9 cents per pound. Annual estimated usage is 768,000 pounds or approximately \$53,000 at the original price.

Terms and conditions of the contract allow an annual price adjustment and due to significant cost increases in copper sulfate and sulfuric acid, both of which are present in aluminum sulfate, Council approved a 1 cent increase to 7.9 cents per pound in May 2021.

The chemical market continues to experience significant raw material and large transportation cost increases. Brenntag Southwest has requested a price increase to 13.49 cents per pound with a price adjustment consideration again in six months. Staff has reviewed the request and recommends approval.

If approved, the renewed contract term will be June 9, 2022 through December 8, 2022. Based on the original annual usage estimate of 768,000 pounds, the new price will result in an expense of approximately \$51,800 over the next six (6) months. Funding for this necessary chemical is included in the Water Utilities' operating budget.