



MEMORANDUM

TO: Mayor and City Councilmembers
Steve Parker, City Manager

FROM: Twila Wood, Purchasing Manager

DATE: May 24, 2021

RE: Annual 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.

Terms and conditions of the contract allow an annual price adjustment based on the current Producer Price Index for Chemicals and Allied Products. Due to significant cost increases in copper sulfate and sulfuric acid, both of which are present in aluminum sulfate, Brenntag Southwest has requested a 1 cent increase per pound for a total of 7.9 cents. Staff has reviewed the request and recommends approval.

If approved, the renewed annual contract will begin June 9, 2021. The annual estimated cost at the revised rate would be approximately \$60,700 and funding for this expense is included in the Water Utilities' operating budget.