

**THIRD AMENDMENT TO
PROFESSIONAL CONSULTANT SERVICES AGREEMENT TO
FURNISH & DELIVER 19% AQUA AMMONIA FOR WATER TREATMENT**

This Third Amendment to Professional Consultant Services Agreement for Supply & Delivery of 19% Aqua Ammonia for Water Treatment (this "Third Amendment") is made and entered into on this 31 day of October, 2022, by and between the CITY OF SAN CLEMENTE, a California municipal corporation ("City"), and KAAM Group, Inc. ("Consultant").

R E C I T A L S:

- A. City and Consultant entered into that certain Professional Consultant Services Agreement for Supply & Delivery of 19% Aqua Ammonia for Water Treatment (the "Original Agreement") on September 24, 2018.
- B. City and Consultant entered into that certain First Amendment to the Professional Consultant Services Agreement for Supply & Delivery of 19% Aqua Ammonia for Water Treatment ("First Amendment") on September 10, 2020.
- C. City and Consultant entered into that certain Second Amendment to Professional Consultant Services Agreement for Supply & Delivery of 19% Aqua Ammonia for Water Treatment ("Second Amendment") on August 25, 2021. The Original Agreement, as modified by the First Amendment and the Second Amendment, is hereinafter referred to as the "Agreement".
- D. City and Consultant desire to amend the Agreement in the manner provided herein.

C O V E N A N T S:

Section 1.1 of the Agreement is hereby amended by extending the term of the Agreement one-year through August 30, 2023.

Section 3.1 of the Agreement is hereby amended by increasing the Maximum Payment Amount from \$20,000 to \$30,000 for the duration of the contract. The Third Amendment is based on the pricing listed in Exhibit A of this Third Amendment, which exhibit is attached hereto and incorporated herein by this reference.

Since the market is currently unpredictable and volatile, KAAM Group will contact City staff at the end of the first quarter of 2023 (prior to March 31, 2023) after they have reviewed the chemical pricing and will provide an update on pricing, and the City and KAAM Group will negotiate future pricing at that time.

Except as expressly amended by this Third Amendment, the remaining portions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed on the respective dates set forth opposite of their signatures.

CITY OF SAN CLEMENTE

ATTEST:

Paula *Legislative Administrator*
CITY CLERK of the City of
San Clemente, California

By: *CEG Delf*

Its: *Acting City Manager*

Dated: *October 31*, 20*22*

APPROVED AS TO FORM:
BEST BEST & KRIEGER

WCK
City Attorney

APPROVED AS TO AVAILABILITY
OF FUNDING:

WCK
Finance Authorization

KAAM Group
("CONSULTANT")

By: *Denise Nguyen*

Its: Operations Manager

Dated: October 19, 2022

EXHIBIT "A"

Please see attached letter from KAAM Group, Inc. dated April 5, 2022 with revised pricing of \$6.35/gallon to be effective May 3, 2022 (the date the letter was provided to the City).

Schmidt, Julie

From: keith.clardy kaamgroup.com <keith.clardy@kaamgroup.com>
Sent: Tuesday, May 3, 2022 1:49 PM
To: Schmidt, Julie
Subject: Ammonia Information
Attachments: Price Increase 2022 copy.docx

Julie,

Please find the attached letter regarding ammonia pricing. I will send the fuel and ammonia charts in a separate email for supporting documents.

Thank you for your help on this

Keith Clardy
KAAM Group
714.473.6185



April 5, 2022

To: Julie Schmidt, City of San Clemente Utilities Department

From: Keith Clardy, SVP Sales, KAAM Group

RE: Ammonia Pricing

Julie,

As we have discussed we are in unprecedented times when it comes to commodity chemicals. Due to commodity pressure and fuel increase we are proposing a price increase on the ammonia currently provided to the City of San Clemente. At this time we are asking for a price increase with a new rate of \$6.35 based on market conditions. I have also attached index charts for both ammonia and fuel and you will see both have had dramatic increases over the past year. Going forward we would propose a quarterly adjustment based off of commodity indexes due to these uncertain times.

Please let me know if you need any other information from me at this time.

Keith Clardy

Keith Clardy
SVP Sales
KAAM Group
714.473.6185