



City of Austin

Recommendation for Action

File #: 26-2724, **Agenda Item #:** 24.

1/22/2026

Posting Language

Authorize a contract for liquid ferrous chloride and liquid ferric chloride for Austin Water with Pencco Inc., for an initial term of two years with up three one-year extension options in an amount not to exceed \$3,700,000. Funding: \$555,000 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Austin Financial Services.

Client Department(s)

Austin Water.

Fiscal Note

Funding in the amount of \$555,000 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Water.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Procurement Language:

Austin Financial Services issued an Invitation for Bids solicitation IFB 2200 JRN1039REBID for these goods. The solicitation published on September 8, 2025, and closed on October 2, 2025. Of the four offers received, the bids submitted by the recommended contractor were the lowest responsive bids received. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's website. This information can currently be found at https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=143125.

MBE/WBE:

This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:

January 14, 2026 - To be reviewed by the Austin Water and Wastewater Commission.

Additional Backup Information:

The contract will provide a supply of liquid ferrous chloride and liquid ferric chloride to be used at the Hornsby Bend Biosolids Management Plant to aid in the process of odor control. The chemicals will reduce hydrogen sulfide gases in working areas and around the plant. They will also reduce corrosion rates on both mechanical and electrical equipment in the bar-screen and thickener building.

This contract will replace the current contract, which expires March 9, 2026. Requested authorization is based on historical spending and departmental estimates of future needs. The recommended contractor is the current provider for these goods.

If a contract is not secured, it could lead to an increase in citizen odor complaints as well as problems with dewatering the sludge.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	2 years	\$1,480,000
Optional Extension 1	1 year	\$740,000
Optional Extension 2	1 year	\$740,000
Optional Extension 3	1 year	\$740,000
Total	5 years	\$3,700,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.