



City of Austin

Recommendation for Action

File #: 25-2061, **Agenda Item #:** 32.

10/23/2025

Posting Language

Ratify an amendment to a contract for continued liquid ferrous chloride and ferric chloride for Austin Water with Pencco, Inc., to increase the amount by \$200,000 for a revised total contract amount not to exceed \$1,107,055. Funding: \$200,000 is available in the Operating Budget of Austin Water.

Lead Department

Austin Financial Services.

Client Department(s)

Austin Water.

Fiscal Note

Funding is available in the amount of \$200,000 in the Fiscal Year 2025-2026 Operating Budget of Austin Water.

Procurement Language:

Ratification.

MBE/WBE:

Note: This contract 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.

Prior Council Action:

March 4, 2021 - Council approved a contract for liquid ferrous chloride and ferric chloride with Pencco, Inc.

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.

Additional Backup Information:

The contract provides a continued supply of liquid ferrous chloride and ferric chloride to be used at the Hornsby Bend Biosolids Management Plant to aid in the process of odor control. These chemicals are essential for controlling hydrogen sulfide (H₂S), a byproduct of the anaerobic digestion process. Proper H₂S control is critical to maintaining employee safety and preventing corrosion of critical infrastructure.

Since the contract's initial execution, the vendor submitted and received approval for price increases due to market increases supported by pricing indexes, resulting in a cumulative increase of approximately 190% and higher than anticipated spend. To avoid disruption of critical operations and to remain in compliance with safety and environmental requirements while a new contract is sourced, this contract was increased as an emergency and brought to council as soon as possible for ratification.

Contract Details:				
Contract Term	Length of Term	Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Initial Term	2 years	\$332,422		\$ 332,422
Contract Amendment	1 year	\$166,211		\$ 166,211
Contract Amendment	1 year	\$166,211		\$ 166,211
Contract Amendment	1 year	\$166,211		\$ 166,211
Contract Amendment		\$ 76,000		\$ 76,000
Proposed Amendment			\$200,000	\$ 200,000
Total	5 years	\$907,055	\$200,000	\$1,107,055.00

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