



Water & Wastewater Commission Review and Recommendation

Commission Meeting Date:	January 10, 2018
Council Meeting Date:	February 1, 2018
Department:	Purchasing
Client:	Judy Musgrove, Rick Harland, Rick Coronado
Agenda Item	
Authorize award and execution of a multi-term contract with Pencco, Inc. , to provide liquid ferrous chloride and liquid ferric chloride, for up to five years for a total contract amount not to exceed \$336,250.	
Amount and Source of Funding	
Funding in the amount of \$44,833 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.	
Purchasing Language:	The Purchasing Office issued an Invitation for Bids (IFB) ISR0027REBID for these goods. The solicitation issued on October 2, 2017, and it closed on October 19, 2017. Of the three offers received, the recommended contractor submitted the lowest responsive offer.
Prior Council Action:	N/A
Boards and Commission Action:	January 10, 2018- To be reviewed by the Water and Wastewater Commission.
MBE/WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D 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.

The contract is for the purchase 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, and to help with the thickening and dewatering of the sludge. These chemicals will reduce hydrogen sulfide gasses in working areas and around the plant in general. The chemicals will help to thicken the sludge and will also reduce the corrosion rates on both mechanical and electrical equipment in the bar-screen and thickener building. This contract will provide a readily available source of supply for these products which will be delivered and stored at the Hornsby Bend facility.

The requested annual authorization amount for this contract was determined using departmental estimates based on historical spend, the variable demand between liquid ferrous chloride and liquid ferric chloride; along with a small annual increase to account for an increase in price.

If the City is unable to secure a contract for liquid ferrous chloride and liquid ferric chloride it could lead to an increase in citizen odor complaints as well as problems with dewatering the sludge.

Contract Detail				
	Contract Term	Contract Amount	Contract Amendment	Revised Amount
Initial Term	3	\$201,750	n/a	n/a
Extension Option 1	1	\$67,250	n/a	n/a
Extension Option 2	1	\$67,250	n/a	n/a
TOTAL	5	\$336,250	\$-	\$-