



Meeting Date: August 29, 2024 **Agenda Type:** Consent Items for Action

From: Brent Lundmark **Reviewed by:** Michael Short, P.E.
Water Treatment and Director of Water Services and
Compliance Manager Compliance

Submitted by: Mark Steelman **Approved by:** Ryan Kelso
Chief Operations Officer Chief Executive Officer

RECOMMENDED ACTION: Authorize the CEO or His Designee to Negotiate and Execute a Materials Agreement with Pencco Inc. for the Purchase of Water and Wastewater Chemicals

BACKGROUND

On March 18, 2024, New Braunfels Utilities (“NBU”) issued a request for proposals (“RFP”) for the purchase and delivery of select water and wastewater chemicals to NBU facilities. The RFP allows NBU to award to one or more respondents for select water and wastewater chemicals.

On April 16, 2024, NBU received nine (9) responses to the RFP during the public bidding process. The Water Treatment and Compliance Division of NBU evaluated the bids and determined that Pencco, Inc. was the lowest responsible bidder for the purchase and delivery of liquid ammonium sulfate.

NBU staff requests that the Board of Trustees approve a Materials Agreement with Pencco, Inc. for the purchase and delivery of the chemicals listed below (the “Agreement”):

1. Liquid Ammonium Sulfate

The initial term of the Agreement will be for a period of one (1) year from September 1, 2024, to August 31, 2025. After the expiration of the initial term, the Agreement will automatically renew for four (4) consecutive one-year terms.

This item is being presented to the Board because the total amount of this contract exceeds \$250,000.00.

FINANCIAL IMPACT

The total contract amount for the Agreement with Pencco, Inc. is \$445,912.50, with a not-to-exceed amount of \$89,182.50 for the initial contract term and \$89,182.50 for each of the additional one-year terms. The Agreement is budgeted with the Water Treatment & Compliance Operations and Maintenance Budget (“O&M Budget”) for fiscal year 2025 and will be budgeted in the O&M Budgets of fiscal year 2026 through fiscal year 2029.

LINK TO STRATEGIC PLAN

Infrastructure and Technology

EXHIBITS

1. Contract with Pencco, Inc.
2. Summary of Recommendation
3. Bid Tabulation