

**City Council Regular Meeting
AGENDA ITEM**

NUMBER: 20

SUBJECT:

Third Amendment to the Purchase Agreement for Ferric Chloride with Pencco, Inc. to Increase the Annual Not to Exceed Amount of the Agreement to \$530,000 for the Fourth Year of the Agreement and the Potential (2) Two-Year Option Term Which Is to Be Exercised at the Discretion of the City Manager. (Citywide) (For Possible Action; Recommendation – Approve)

REQUESTED BY:

Tom Brady, Director of Utilities

WARD:

(Citywide)

RECOMMENDATION OR RECOMMEND MOTION:

It is recommended that the City Council Approve the Third Amendment to the Purchase Agreement for Ferric Chloride Purchase Agreement With Pencco, Inc.

FISCAL IMPACT:

Amount: \$690,000 - Over the 3 Remaining Years of the Contract
Explanation: Utilities Enterprise Fund

ACCOUNT NUMBER:

610-600339-420362

STAFF COMMENTS AND BACKGROUND INFORMATION:

On January 16, 2020, City Council approved the Purchase Agreement with Pencco, Inc. for the purchase of ferric chloride used by the Utilities Department at the City's Water Reclamation Facility (WRF) in a total not to exceed amount of \$1,800,000.

On December 7, 2021, City Council entered into the First Amendment to the Purchase Agreement to reflect a price increase for the ferric chloride.

On June 13, 2022, City Council entered into the Second Amendment to the Purchase Agreement to increase the total not to exceed amount of the agreement to \$1,840,000.

Staff recommends that City Council approve the Third Amendment to the Purchase Agreement for Ferric Chloride in order to increase the not to exceed amount of the Purchase Agreement with Pencco to \$2,530,000, an increase of \$690,000 from the total not to exceed amount of \$1,840,000 detailed in the Second Amendment. The increased amount is due to a price increase of ferric chloride from \$0.42/dry lb to \$0.65/dry lb. The increased price will be in effect from 1/16/2023 to 1/15/2024 and may be in place if the City elects to exercise its two year option which is to be exercised at the discretion of the City Manager.

CIP No.

Related Item:

LIST CITY COUNCIL GOAL(S): Quality Municipal Services, Responsible Fiscal Management

PREPARED BY:

Tom Brady,
Director of Utilities

Respectfully Submitted

Ryann Juden,
City Manager

MEETING DATE:

March 15, 2023