

**Posting Language**

Recommend approval to authorize a contract for liquid phosphate for Austin Water with Shannon Chemical Corp., for an initial term of two years with up to three one-year extension options in an amount not to exceed \$5,000,000. Funding: \$666,667 is available in the 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 \$666,667 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 JRN1041 for these goods. The solicitation was published on September 22, 2025, and closed on October 23, 2025.

Of the four offers received, the bid submitted by the recommended contractor was the lowest responsive bid 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=143170](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=143170).

**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.

**Additional Backup Information:**

This contract will provide a continuous supply of liquid phosphate to Austin Water's drinking water treatment plants. The phosphate functions by removing calcium and magnesium ions, which are naturally present in the raw water supply and are primary contributors to scale formation. The addition of liquid phosphate during the water treatment process helps preserve the integrity and efficiency of the distribution system by preventing scale buildup that can lead to restricted water flow, reduced pipe capacity, and increased maintenance and operational costs.

This contract will replace the current contract, which expires on May 31, 2028. The City is resoliciting early due to increased costs. Requested authorization is based on historical spending and departmental estimates of future needs. The recommended contractor is not the current provider for these goods.

Without the routine application of liquid phosphate, scale would accumulate significantly over time, negatively impacting water quality, increasing the risk of service interruptions, and accelerating the degradation of the system's infrastructure.



**Contract Details:**

<b>Contract Term</b>	<b>Length of Term</b>	<b>Contract Authorization</b>
Initial Term	2 years	\$2,000,000
Optional Extension 1	1 year	\$1,000,000
Optional Extension 2	1 year	\$1,000,000
Optional Extension 3	1 year	\$1,000,000
<b>Total</b>	<b>5 years</b>	<b>\$5,000,000</b>

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