



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING
Wednesday, September 9, 2026**

SUBJECT

Change Order 1 - RFP 56-15 Wastewater Sludge and Water Treatment Residual Disposal

BACKGROUND

EPWater uses Contract RFP 56-15 with GCC Sun City Materials, LLC, for transportation and disposal services for wastewater sludge, water treatment residuals, contaminated soil, and related materials generated through EPWater operations.

The Public Service Board originally awarded the contract on May 11, 2016, at an estimated annual amount of \$1,935,150, with options for two five-year extension periods. For a five-year period, the estimated contract amount is \$9,675,750.

The contract is currently in its first five-year extension period and is scheduled to expire on June 30, 2027. Additional contract capacity is needed to accommodate increased disposal volumes and unanticipated operational conditions, including emergency removal and disposal of contaminated soil associated with sanitary sewer spills and increased sludge volumes from the John T. Hickerson Water Reclamation Facility.

The additional capacity will ensure sufficient contract capacity for the remainder of the current term and support continued treatment operations, emergency response activities, protection of public health and the environment, and compliance with applicable Texas Commission on Environmental Quality requirements.

PRIOR PSB ACTION

- On May 11, 2016, the Public Service Board awarded Contract RFP 56-15 for water and wastewater treatment residuals disposal and beneficial-use services to CEMEX Construction Materials South, LLC, at an estimated annual cost of \$1,935,150. The initial contract period ran through June 30, 2022, with the option for two five-year extension periods.

UTILITY KPI ALIGNMENT

Infrastructure Performance

EVALUATION PROCESS

Staff reviewed the current contract amount under Contract RFP 56-15 based on the original estimated annual amount of \$1,935,150 the estimated contract amount for five years is \$9,675,750.

Staff is requesting a 25 percent increase in contract capacity, or \$2,418,937.50, which represents the maximum allowable change order for goods and services contracts under the applicable Texas law. The additional capacity will ensure sufficient contract capacity for wastewater sludge, water treatment residuals, contaminated soil, and related transportation and disposal services through the remainder term of the contract which is scheduled to end on June 30, 2027.

FINANCIAL IMPLICATIONS

This expenditure is in the approved budget.

PROPOSED ACTION REQUESTED

Consider and approve Change Order Number 1 for RFP 56-15 Wastewater Sludge and Water Treatment Residual Disposal with GCC Sun City Materials, LLC in the amount of \$2,418,937.50.

SUPPORTING DOCUMENTATION PROVIDED

- None