

AGENDA



Thursday, August 30, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 42**

Subject: Authorize award and execution of a 12-month requirements supply contract with AIRGAS SPECIALTY PRODUCTS, Atlanta, GA, for the purchase of anhydrous ammonia for the Austin Water Utility in an estimated amount not to exceed \$202,200, with two 12-month extension options in an estimated amount not to exceed \$202,200 per extension option, for a total estimated contract amount not to exceed \$606,600.

Amount and Source of Funding: Funding in the amount of \$16,850 is available in the Fiscal Year 2006-2007 Operating Budget of the Austin Water Utility. Funding for the remaining eleven months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Stephen Aden, Supervising Sr. Buyer, 974-2021

Purchasing Language: Sole bid received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

This contract will provide a supply contract to purchase anhydrous ammonia for the Austin Water Utility on an as needed basis. Anhydrous ammonia is mixed into chlorinated water to form chloramines, the secondary disinfectant utilized in the drinking water treatment process.

The anhydrous ammonia will be delivered to and used at the water treatment plants. This product complies with the National Sanitation Foundation (NSF) Standard 60 which governs the use of direct and indirect additives for the treatment of drinking water.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Sole bid. The last time the product was bid in July 2005, the only other bid received was from Shrieve Chemical Co. This company did not submit a bid.
- b. Five notices were sent. There are no known MBE/WBEs available for this commodity. One bid was received.
- c. The pricing offered represents a 13% increase to the last contract award in September 2005. This increase can be attributed to the rising cost in chemical production and transportation. Airgas Specialty Products is the current provider of this product.

APPROVAL JUSTIFICATION

- a. Sole bid received.
- b. The Purchasing Office concurs with the Austin Water Utility's recommendation.

c. Advertised in the Austin American-Statesman and Internet.