

AGENDA



Thursday, November 1, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 29

Subject: Authorize award and execution of a 24-month requirements supply contract with SHANNON CHEMICAL CORPORATION, Malvern, PA, for the purchase of liquid phosphate in an estimated amount not to exceed \$607,250, with two 24-month extension options in estimated amounts not to exceed \$759,062 for the first extension option and \$948,828 for the second extension option, for a total estimated contract amount not to exceed \$2,315,140.

Amount and Source of Funding: Funding in the amount of \$278,323 is available in the Fiscal Year 2007–2008 Operating Budget of the Austin Water Utility. Funding for the remaining 13 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: Steve Aden, Supervising Sr. Buyer, 974-2021.

Purchasing Language: Lowest bidder meeting specifications of three bids 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 is for the supply of liquid phosphate for the Austin Water Utility's Ullrich Water Treatment Plant and Davis Water Treatment Plant. Liquid phosphate is used in the treatment of the City's municipal water supply for corrosion control, scale prevention, iron and manganese stabilization and hardness stabilization in the treated water.

This product complies with the National Sanitation Foundation Standard 60 which governs the use of direct and indirect additives for the treatment of drinking water.

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-four notices were sent, including one MBE and one WBE. Three bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 16% increase to the previous contract award in October 2005. This can be attributed to the increases in production costs and transportation.

APPROVAL JUSTIFICATION

- a. Lowest responsive bidder. Shannon Chemical Corp is not a current supplier of this product.
- b. The Purchasing Office concurs with the Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.