

AGENDA



Thursday, January 31, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 54

Subject: Authorize award and execution of a 24-month requirements service contract with HYDROCHEM INDUSTRIAL SERVICES, INC, Deer Park, TX, for boiler and heat exchanger cleaning services in an estimated amount not to exceed \$668,179, with one 24-month extension option in an estimated amount not to exceed \$668,179, for a total estimated contract amount not to exceed \$1,336,358.

Amount and Source of Funding: Funding in the amount of \$222,727 is available in the Fiscal Year 2007-2008 Operating Budget of Austin Energy. Funding for the remaining 16 months of the original contract period and extension option 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: Martha L. Gaines, Buyer II (512) 322-6583

Purchasing Language: Best evaluated proposal of two proposals received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C 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.

This contract will provide for the cleaning of the boiler steam drum, heat exchangers, waterfalls, down comers, bottom headers, and economizer section of the steam generation boiler at Austin Energy power plants to remove iron and copper-containing deposits from the internal surfaces. Deposits must be periodically removed from the boilers in order to prevent tube failures due to overheating. Cleaning also increases the heat transfer efficiency of the boiler.

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-two notices were sent, including one MBE and one WBE. Two proposals were received, with no response from the MBE/WBE.
- c. The pricing offered represents a 50% increase to the previous contract award made in April 2001. This increase is due to contractor waste disposal requirements that were not included in the last contract.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received. The recommended awardee is the current contractor.
- b. Austin Energy concurs with the recommended award.
- c. Advertised on the Internet.