

AGENDA



Thursday, March 6, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 23**

Subject: Authorize award and execution of a 24-month requirements supply contract with LUCIER CHEMICAL INDUSTRIES LTD., dba, LCI, LTD, Jacksonville Beach, FL, for fluoro-silicic acid for the Austin Water Utility in an estimated amount not to exceed \$1,175,000, with three 12-month extension options in an estimated amount not to exceed \$587,500 per extension option, for a total estimated contract amount not to exceed \$2,937,500.

Amount and Source of Funding: Funding of \$293,750 is available in the Fiscal Year 2007-2008 Operating Budget of the Austin Water Utility. Funding for the remaining 18-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 bid of two 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 establishes a reliable source of supply of fluoro-silicic acid for the Austin Water Utility and will be purchased on an as needed basis. The fluoro-silicic acid will be delivered to and used at the water treatment plants. The City of Austin fluoridates the drinking water as required by a public referendum in 1972. The fluoride level in the City of Austin tap water is between 0.8 milligrams per liter (mg/l) and 1.0 mg/l, the recommended levels established by the Center for Disease Control. The maximum contaminant level established by the Environmental Protection Agency is 4.0 mg/l with a secondary standard of 2.0 mg/l. Austin tap water is maintained well below these levels.

The product complies with the American Water Works Association (AWWA) Standard B703 and National Sanitation Foundation (NSF) Standard 60 which governs additives for the treatment of drinking water.

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Fifty-two notices were sent, including one MBE and one WBE firm. Two bids were received. Two "No Bid"s were received.
- c. The pricing offered represents a 34% increase to the last contract award in February 2007. This can be attributed to the increases in manufacturer's costs for production and transportation.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Lucier Chemical Industries is the current provider of this product.

- b. The Purchasing Office concurs with the Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and Internet.