

AGENDA



Thursday, June 5, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 30

Subject: Authorize award and execution of a 24-month requirements service contract with NALCO COMPANY, Naperville, IL, for equipment supply and service for chemical water treatment programs at various city facilities in an estimated amount not to exceed \$2,700,000, with one 24-month extension option in an estimated amount not to exceed \$2,700,000, for a total estimated contract amount not to exceed \$5,400,000.

Amount and Source of Funding: Funding in the amount of \$337,500 is available in the Fiscal Year 2007-2008 Operating Budget of Austin Energy. Funding for the remaining 21 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, 322-6583.

Purchasing Language: Best evaluated proposal of five 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 a complete chemical treatment program, including the equipment, supplies, and maintenance for the cooling towers, chillers, demineralizers, and boilers at various city locations. The facilities included are Decker Creek Power Station, Sand Hill Energy Center, Paul Robbins District Cooling Plant, District Cooling Plant II, Energy Control Center, Austin-Bergstrom International Airport, Combined Transportation, Emergency Communication Center (CTECC), Mueller Energy Center, and John Henry Faulk Central Library.

The water treatment program will provide different functions from reverse osmosis water production to cycled cooling tower water systems. Chemicals are required to treat boiler water, cooling tower water, and demineralized water to meet Environmental Protection Agency (EPA) and warranty requirements at each location.

MBE/WBE solicited: 1/1 MBE/WBE responded: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-three notices were sent, including one MBE and one WBE. Five proposals were received, with no response from the MBE/WBEs.
- c. This is the first purchase of its type; therefore, there is no pricing history available

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with AE's recommended award.
- c. Advertised in the Austin American–Statesman and on the Internet.