

AGENDA



Thursday, August 28, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 40

Subject: Authorize award and execution of a 24-month requirements supply contract with AIRGAS SPECIALTY PRODUCTS, Duluth, GA, for the purchase of anhydrous ammonia for the Austin Water Utility in an estimated amount not to exceed \$675,000, with two 12-month extension options in an estimated amount not to exceed \$421,875 per extension option, for a total estimated contract amount not to exceed \$1,518,750.

Amount and Source of Funding: Funding in the amount of \$28,125 is available in the Fiscal Year 2007-2008 Operating Budget of the Austin Water Utility. Funding for the remaining 23 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 establishes an annual requirements supply agreement to provide anhydrous ammonia for the Austin Water Utility and will be purchased on an as needed basis. Anhydrous ammonia is mixed into chlorinated water to form chloramines, the secondary disinfectant utilized in the potable drinking water treatment. 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 received. The last time the product was bid in August 2007, Airgas Specialty Products was the sole bidder.
- 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 150% increase to the last contract award in September 2007. This increase can be attributed to the rising cost in chemical production and transportation costs.

APPROVAL JUSTIFICATION

- a. Sole bid received. Airgas Specialty Products is the current provider.
- b. The Purchasing Office concurs with the Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and Internet.