

AGENDA



Thursday, October 23, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 33

Subject: Authorize award and execution of a 24-month requirements supply contract with AIRGAS SOUTHWEST INC., Austin, TX for the purchase of liquid carbon dioxide for the Austin Water Utility in an estimated amount not to exceed \$821,500, with three 12-month extension options in an estimated amount not to exceed \$513,438 per extension option, for a total estimated contract amount not to exceed \$2,361,814.

Amount and Source of Funding: Funding in the amount of \$376,520 is available in the Fiscal Year 2008-2009 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 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 is to provide liquid carbon dioxide for the Austin Water Utility (AWU) on an as needed basis. Liquid carbon dioxide is used by AWU to stabilize the drinking water during treatment to prevent calcium carbonate or scale from being deposited in the distribution system. The liquid carbon dioxide will be delivered to and used at the Ullrich and Davis Water Treatment Plants.

The product complies with the American Water Works Association Standard B510, which is the standard for liquid carbon dioxide used for the treatment of drinking water. It also meets the National Sanitation Foundation Standard 60 which governs the use of direct and indirect additives for the treatment of drinking water.

MBE/WBE solicited: 0/4

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-eight notices were sent, including four WBEs. There are no known MBEs available for this commodity. Two bids were received, with no response from the WBEs.
- c. The pricing offered represents a 28% increase to the last contract award in September 2006. The increase can be attributed to rising costs associated with the production of chemicals and transportation.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Airgas Southwest, Inc. is not 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 on the Internet.