

AGENDA



Thursday, March 12, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 8

Subject: Authorize award and execution of a 12-month requirements supply contract with ALTIVIA CORPORATION, Houston, TX for the purchase of sodium hydroxide for Austin Energy in an estimated amount not to exceed \$109,528, with three 12-month extension options in an estimated amount not to exceed \$109,528 per extension option, for a total estimated contract amount not to exceed \$438,112.

Amount and Source of Funding: Funding in the amount of \$63,891 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy. Funding for the remaining seven 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: Shawn Harris, Buyer II/(512) 505-7351

Purchasing Language: Lowest bid meeting specification of four 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 Electric Utility Commission.

This contract will provide bulk sodium hydroxide on an as-needed basis for use at Austin Energy's Sand Hill Energy Center and Decker Creek Power Station.

Sodium hydroxide is used to balance the pH of the water in order to remove impurities which can cause expensive and irreparable damage to steam turbines, boilers and associated piping.

MBE/WBE solicited: 1/0

MBE/WBE bid: 1/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Forty-eight notices were sent, including one MBE. There are no known WBEs available for this commodity. Four bids were received, including one MBE.
- c. The pricing offered represents a 100% increase from the last contract award in June 2006. The increase can be attributed to rise in industry indices related to this chemical.

APPROVAL JUSTIFICATION

- a. Lowest bid received meeting specifications. Altivia Corporation is not the current supplier of this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.