

AGENDA



Thursday, March 26, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 34

Subject: Authorize award and execution of a 12-month requirements supply contract with ARMSTRONG WATER TECHNOLOGY, INC., Houston, TX, for the purchase of liquid phosphate in an estimated amount not to exceed \$807,070, with two 12-month extension options in an estimated amount not to exceed \$1,008,850, per extension option, for a total estimated contract amount not to exceed \$2,824,770.

Amount and Source of Funding: Funding in the amount of \$470,790 is available in the Fiscal Year 2008-2009 Operating Budget of the Austin Water Utility. Funding for the remaining five 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 six 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 for the supply of liquid phosphate for the Austin Water Utility's Ullrich Water Treatment Plant and Davis Water Treatment Plant and will be ordered on an as needed basis. Liquid phosphate is used in the treatment of the City's municipal water supply for corrosion control, scale prevention, iron and manganese stabilization, and hardness stabilization in the treated water.

This product complies with the National Sanitation Foundation Standard 60 which governs the direct and indirect additives for the treatment of drinking water.

MBE/WBE solicited: 1/0 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Seventy-eight notices were sent, including one MBE. There were no known WBE firms available for this commodity. Six bids were received, with no response from the MBE. Three "No Bid"s were received.
- c. The pricing offered represents a 100% increase to the last contract award in November 2007. This increase can be attributed to a 137% increase in the cost of raw material from November 2007 to November 2008.

APPROVAL JUSTIFICATION

- a. Lowest bid. Armstrong Water Technologies, Inc. has provided this product to the Austin Water Utility on a spot purchase basis.
- b. The Purchasing Office concurs with the Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.