

## AGENDA



Thursday, May 21, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 26

**Subject:** Authorize award and execution of a 24-month requirements supply contract with GC3 SPECIALTY CHEMICALS, INC., Houston, TX, for the purchase of aqueous ammonia for Austin Energy in an estimated amount not to exceed \$120,000, with three 12-month extension options in an estimated amount not to exceed \$60,000 per extension option, for a total estimated contract amount not to exceed \$300,000.

**Amount and Source of Funding:** Funding in the amount of \$25,000 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy. Funding for the remaining 19 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/505-7351

**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 Electric Utility Commission.

This contract is to provide bulk aqueous ammonia to Austin Energy to be purchased and delivered to Sand Hill Energy Center on an as-needed basis.

The Simple Cycle Generating Units and the Heat Recovery Steam Generator unit at Sand Hill Energy Center both produce Nitrogen Oxides (NOx) in the combustion process which is released in their exhaust. Aqueous ammonia is used in the process of Selective Catalytic Reduction to convert NOx into nitrogen and water before the exhaust is released to the stack. It is important to have a continuous supply of this product in order to prevent the operational failure of the Selective Catalytic Reduction module and the discharge of excess NOx into the atmosphere which could potentially exceed Austin Energy's Air Quality Standard Permit.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
  - b. Ten notices were sent, including one MBE. There are no known WBEs available for this commodity. Two bids were received, with no response from the MBE.
  - c. This is the first purchase of its type; therefore, there is no pricing history available.
- APPROVAL  
JUSTIFICATION**

- a. Lowest bid received.

- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.