

## AGENDA



Thursday, July 23, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 78**

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**Subject:** Authorize award and execution of a 24-month requirements supply contract with GENERAL CHEMICAL PERFORMANCE PRODUCTS, LLC, Parsippany, NJ, for the purchase of liquid ferric sulfate for the Austin Water Utility, in an estimated amount not to exceed \$1,898,390, with two 12-month extension options in an estimated amount not to exceed \$949,195 per extension option, for a total estimated contract amount not to exceed \$3,796,780.

**Amount and Source of Funding:** Funding in the amount of \$158,200 is available in the Fiscal Year 2008-2009 Operating Budget of the Austin Water Utility. Funding for the remaining 22 months of the original contract 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, Purchasing Manager, 974-2021

**Purchasing Language:** Lowest bid meeting specifications 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.

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This contract will provide for the supply of liquid ferric sulfate, which is used by the Austin Water Utility for water purification processes. This product will be purchased on an as needed basis.

This chemical is added to raw water during the purification process and causes sediment, bacteria, and other suspended particles in the water to aggregate into a mass for removal. It is essential in the treatment process to ensure the quality of the City's water supply and to meet the Environmental Protection Agency's regulations.

The product will be delivered and stored in ferric sulfate tanks at the Davis and Ullrich Water Treatment Plants.

MBE/WBE solicited: 1/2

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Thirty-eight notices were sent, including one MBE and two WBEs. Two bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 65% increase to the last contract award in August 2007. This increase is due to the increase in cost for raw iron required in the manufacturing process of this product.

**APPROVAL JUSTIFICATION**

- a. Lowest bid received meeting specifications. General Chemical Performance Products, LLC is the current provider of this product.
- b. The Purchasing Office concurs with the Austin Water Utility's recommended awarded.
- c. Advertised in the Austin American-Statesman and on the Internet.