

## AGENDA



Thursday, January 13, 2011

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 17**

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**Subject:** Authorize award, negotiation, and execution of a contract with DRIESSEN WATER 1 INC. DBA CULLIGAN OF AUSTIN, Austin, TX or the other qualified offeror to RFP No. SMH0110REBID, for the purchase and install of an upgraded demineralizer system at the Decker Creek Power Station in an estimated amount not to exceed \$2,094,750.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Shawn Harris, Supervising Sr. Buyer/505-7351

**Purchasing Language:** Best evaluated proposal of three proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program) by meeting the goals with 1.7% MBE and 25% WBE Subcontractor Participation.

**Boards and Commission Action:** Recommended by the Electric Utility Commission.

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This contract is for an upgraded demineralizer system for the Decker Creek Power Station. The demineralizer removes all trace amounts of minerals from the boiler feed water prior to entering the boiler. Minerals must be removed to prevent build up in the boiler that could lead to costly repairs or failure of the steam generating system. The existing demineralizer system is the original installed equipment and has become increasingly time consuming and expensive to maintain. This upgrade was initially planned to take place in three phases. Phase one was completed with a previous contract and included the base infrastructure to house and operate the system. This contract is for the final phase of the project which combines phase two and phase three, and includes both the purchase and installation of the equipment.

An Austin Energy team with expertise in this area evaluated the proposals and chose this proposal as the best. The criteria evaluated included project concept and solutions proposed, demonstrated applicable experience of company and personnel, and total evaluated cost.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 3/2

MBE/WBE bid: 0/0

**PROPOSAL ANALYSIS**

a. Adequate competition.

b. Sixty-nine notices were sent, including three MBEs and two WBEs. Three proposals were received, with no response from the MBE/WBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.