

AGENDA



Thursday, February 10, 2011

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 20**

Subject: Authorize award, negotiation, and execution of a 24-month requirements service contract with NALCO COMPANY, Naperville, IL, or one of the other qualified offerors to RFP No. SMH0114, for equipment supply and service for chemical water treatment programs at various city facilities in an estimated amount not to exceed \$3,000,000, with two 24-month extension options in an estimated amount not to exceed \$3,000,000 per extension option, for a total estimated contract amount not to exceed \$9,000,000.

Amount and Source of Funding: Funding in the amount of \$1,000,000 is available in the Fiscal Year 2010-2011 Operating Budget of various City Departments. Funding for the remaining sixteen 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, Sr. Supervising Buyer/512-505-7351

Purchasing Language: Best evaluated proposal of five 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). 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 for a complete water chemical treatment program, including the equipment, supplies, and maintenance for the cooling towers, chillers, demineralizers, and boilers at various city locations. The facilities serviced under this agreement will include Decker Creek Power Station, Sand Hill Energy Center, Paul Robbins District Cooling Plant, District Cooling Plant II, Energy Control Center (ECC), Mueller Energy Center, System Control Center (SCC), Combined Transportation Emergency Communications Center (CTECC), Austin Police Department (APD), DeWitty Job Training and Employment Center, Municipal Building, Rebecca Baines Johnson (RBJ) Building, Austin Convention Center, Palmer Events Center, and Austin Bergstrom International Airport (ABIA).

The water treatment program will provide treatment, monitoring, testing, and other functions including chemical treatment for reverse osmosis systems, cooling tower water systems, chilled water loops, hot water loops, clarifiers, and low and high pressure boilers. This testing and treatment is required to treat these systems in order to meet operational, maintenance, and warranty requirements, as well as Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TCEQ), and Austin Water Utility discharge permit requirements.

An Austin Energy team with expertise in this area evaluated the proposals and unanimously chose this proposal as the best to provide this service. The criteria evaluated included the company's proposed technical solution, applicable experience including references, technical support provided, 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: 7/4 MBE/WBE bid: 0/0

PROPOSAL ANALYSIS

- a. Adequate competition.
- b. Eighty-nine notices were sent, including seven MBEs and four WBEs. Five 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.