

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	8095	Agenda Number	38.
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Meeting Date:	August 18, 2011
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Department:	Purchasing
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## Subject

Authorize award and execution of a 36-month requirements supply contract with KEMIRA WATER SOLUTIONS, INC., Lawrence, KS, for the purchase of liquid ferric sulfate for the Austin Water Utility in an estimated amount not to exceed \$1,773,630, with three 12-month extension options in an estimated amount not to exceed \$591,210 per extension option, for a total estimated contract amount not to exceed \$3,547,260.

## Amount and Source of Funding

Funding in the amount of \$49,268 is available in the Fiscal Year 2010-2011 Operating Budget of the Austin Water Utility. Funding for the remaining thirty-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.

Purchasing Language:	Lowest bid of three bids received.
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Prior Council Action:	
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For More Information:	Sydney Ceder, Sr. Buyer /974 2035
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Boards and Commission Action:	Recommended by the Water and Wastewater Commission.
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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.
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Related Items:	
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### Additional Backup Information

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: 2/2

MBE/WBE bid: 0/0

### **BID TABULATION**

IFB No. SSC0153

LIQUID FERRIC SULFATE – 900,000 Lbs.

<b><u>VENDOR</u></b>	<b><u>UNIT PRICE</u></b>	<b><u>TOTAL ANNUAL BID</u></b>
<b>Kemira Water Solutions, Inc. Lawrence, Kansas</b>	<b>\$0.6569</b>	<b>\$591,210</b>
<b>Pennco, Inc. San Felipe, Texas</b>	<b>\$0.7400</b>	<b>\$666,000</b>
<b>General Chemical Performance Products, LLC Parsippany, New Jersey</b>	<b>\$0.8750</b>	<b>\$787,500</b>

A copy of the bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

### **PRICE ANALYSIS**

- Adequate competition.
- Sixty-three notices were sent, including two MBEs and two WBEs. Three bids were received, with no response from the MBEs/WBEs.
- The pricing offered represents an approximate 41% decrease from the last contract award August 2009. This decrease can be attributed to decrease in cost for sulfuric acid used in the manufacturing of the product.

### **APPROVAL JUSTIFICATION**

- Lowest bid received. Kemira Water Solutions, Inc., is not the current provider.
- The Purchasing Office concurs with the Austin Water Utility's recommended award.
- Advertised in the Austin American-Statesman and on the Internet.