

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	16199	Agenda Number	55.
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Meeting Date:	June 28, 2012
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Department:	Purchasing
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Subject

Authorize award and execution of a 12-month requirements supply contract with AIR LIQUIDE INDUSTRIAL U.S. LP., for the purchase of bulk liquid nitrogen to be used at Austin Energy's Decker Creek Power Station in an estimated amount not to exceed \$28,100, with five 12-month extension options, in an estimated amount not to exceed \$28,100 per extension option, for a total estimated contract amount not to exceed \$168,600.

Amount and Source of Funding

Funding in the amount of \$7,025 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining nine 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 received.
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Prior Council Action:	
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For More Information:	Debora Anderson, Buyer I / 322-6471
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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Related Items:	
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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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Additional Backup Information

At Decker Creek Power Station, various plant systems including boilers, turbines, and support systems such as feed-water heaters can rust easily when not in use and exposed to the moisture content in ambient air. As a proactive, protective measure, nitrogen is used to purge ambient air from these systems and form a blanketing gas around the systems when not in use. This contract will provide a readily available supply of bulk liquid nitrogen for Austin Energy's Decker Creek Power Station. The liquid nitrogen will continue to be stored in a 200 cubic foot tank at the power plant. This contract will also provide for the annual inspection and repair of this tank, as well as remote monitoring so that Austin Energy is notified automatically when the level in the tank gets low.

MBE /WBE solicited: 1/2

MBE /WBE bid: 0/0

**BID TABULATION
DPA0201REBID
5 Line Items**

<u>Vendor</u>	<u>Total Price</u>
Air Liquide Industrial U.S. LP Grand Prairie, TX	\$ 28,100.00
Air Products and Chemicals, Inc. Allentown, PA	\$ 31,175.00
Matheson Trigas, Inc. Horseshoe Bay, TX	\$ 31,625.00
Airgas Southwest, Inc. Austin, TX	\$ 33,530.00
Praxair Distribution Austin, TX	\$ 39,815.00

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

PRICE ANALYSIS

- a. Adequate competition.
- b. Eighty-two notices were sent including one MBE and two WBEs. Five bids were received, with no response from the MBE /WBEs.
- c. The pricing offered represents a 14.5% decrease from the last contract awarded in October 2009.

APPROVAL JUSTIFICATION

- a. Lowest bid. Air Liquide Industrial U.S. LP is not the current provider of these goods
- b. The Purchasing Office concurs with Austin Energy's recommended award.

c. Advertised on the Internet.