

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	19207	Agenda Number	63.
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Meeting Date:	October 11, 2012
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Department:	Purchasing
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Subject

Authorize award and execution of a 12-month requirements supply contract with MATHESON TRI-GAS INC. for the purchase of bulk liquid nitrogen to be used at Austin Energy's Decker Creek Power Station in an estimated not to exceed \$26,900, with four 12-month extension options in an estimated amount not to exceed \$26,900 per extension option, for a total estimated contract amount not to exceed \$134,500.

Amount and Source of Funding

Funding in the amount of \$26,900 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the 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:	Dolores Castillo, Sr. Buyer/512-322-6466.
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Boards and Commission Action:	Recommended by the Electric Utility 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

At Decker Creek Power Station, various plant systems including boilers, turbines, and support systems, such as feed water heaters, are susceptible to rust as a result of exposure 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. The liquid nitrogen will continue to be stored in a City-owned 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 when the level in the tank is low.

MBE / WBE Solicited: 1/2

MBE /WBE Bid: 0/0

BID TABULATION

IFB No. DKC0096

Bulk Liquid Nitrogen

(5 – line items)

<u>Vendor</u>	<u>Total Bid Amount</u> <input type="checkbox"/> 12 months
Matheson Tri-Gas Austin, Texas	\$26,900
Air Liquide Industrial Grand Prairie, Texas	\$28,100
Air Products & Chemicals Inc. Austin, Texas	\$29,750

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

PRICE ANALYSIS

- Adequate competition.
- Eighty-two notices were sent including one MBE two WBEs. Three bids were received, with no response from the MBE /WBEs.
- The pricing offered represents a 15% decrease from the last contract awarded in October 2009. This decrease is due to better pricing from a competitive process.

APPROVAL JUSTIFICATION

- Lowest bid. Matheson Tri-Gas is the current provider of these goods.
- The Purchasing office concurs with Austin Energy's recommended award.
- Advertised on the Internet.