

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	25701	Agenda Number	34.
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Meeting Date:	August 8, 2013
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Department:	Purchasing
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Subject

Authorize negotiation and execution of a 24-month requirements supply agreement with W-S INDUSTRIAL SERVICES, INC. for condenser tube cleaning services for Austin Energy in an amount not to exceed \$255,506 with two 24-month extension options in an amount not to exceed \$255,506 per extension option, for a total contract amount not to exceed \$766,518.

Amount and Source of Funding

Funding in the amount of \$21,292 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining twenty two 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:	Gabriel Guerrero, Buyer II /322-6060
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Boards and Commission Action:	July 15, 2013 - Unanimously approved by the Electric Utility Commission on a 5-0 vote.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9C (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

This contract will provide for labor, supervision, tools and equipment to perform the cleaning of condenser tubes and tube sheets on an as-needed basis at Austin Energy's Decker Creek Power Station and Sand Hill Energy Center. Condenser tubes are used at these Austin Energy power plants to condense the exhaust from the steam turbines to obtain maximum efficiency and also to convert the steam into pure water which can then be reused in the boiler.

Services provided under this contract will include utilizing hydro-blast cleaning equipment to remove all unwanted foreign biological and scale build-up material, and debris from condenser tubes and tube sheets. The cleaning will return the tubes and tube sheets, when economically feasible, to original equipment manufacturer specifications. The removal of the scale build-up and debris is necessary to maintain the overall effectiveness of the condenser and efficiency of the power plant, as well as remove the contaminants that could lead to corrosion of the tubes.

MBE/WBE Solicited: 2/0

MBE/WBE Bid: 0/0

BID TABULATION
IFB No. DKC0098REBID
Condenser Tube Cleaning
(3 - line items)

<u>Vendor</u>	<u>Total Bid - 12 months</u>
W-S Industrial Services, Inc. Council Bluffs, IA	\$127,752.60
Veolia ES Industrial Services Rockdale, TX	\$137,612.70

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

PRICE ANALYSIS

- a. Adequate competition.
- b. Thirty-six notices were sent, including two MBEs. Two bids were received, with no response from the MBEs. There are no known WBEs for this commodity code.
- c. The pricing offered represents a 36% increase to the average unit price for last contract awarded in March 2011. The increase can be attributed to competitive changes in the marketplace. The previous contractor is no longer in business.

APPROVAL JUSTIFICATION

- a. Lowest bid received. W-S Industrial Services, Inc. is not the current provider of these items
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.