Recommendation for Council Action (Purchasing)

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<th>Austin City Council - Commissioner's Court Meeting</th>
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<td>Department:</td>
<td>Purchasing</td>
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Subject

Authorize award and execution of a 36-month supply contract with AIRGAS INC, for the purchase of industrial gases for Austin Energy, Aviation, Fleet Services, Austin Water Utility, and Austin Police Department, in an amount not to exceed $679,254, with three 12-month extension options in an amount not to exceed $226,418 per extension option, for a total contract amount not to exceed $1,358,508.

Amount and Source of Funding

Funding in the amount of $169,907 is available in the Fiscal Year 2013-2014 Operating Budget of Austin Energy. Funding in the amount of $7,324 is available in the Fiscal Year 2013-2014 Operating Budget of the Aviation Department. Funding in the amount of $31,071 is available in the Fiscal Year 2013-2014 Operating Budget of the Fleet Services Department. Funding in the amount of $14,478 is available in the Fiscal Year 2013-2014 Operating Budget of the Austin Water Utility Department. Funding in the amount of $3,638 is available in the Fiscal Year 2013-2014 Operating Budget of the Austin Police Department. Funding for the remaining 33 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.

Prior Council Action:

For More Information: Paige McDonald, Buyer II, 512-322-6118

Boards and Commission Action:

- July 8, 2014 – Approved by the Austin Airport Advisory Commission on a 6-0 vote.
- May 19, 2014 - Approved by the Electric Utility Commission on a vote of 6-0.
- July 9, 2014 – Recommended by the Water & Wastewater Commission on a 6-0 vote.

Related Items:
This contract will be awarded in compliance with City Code Chapter 2-9D (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Additional Backup Information

This contract will provide industrial gases for use by Austin Energy, Austin Water Utility, Aviation, Fleet Services, and the Austin Police Department. This contract combines the needs of multiple City departments and three previously separate contracts.

The City uses industrial gases for various operating and maintenance purposes. For example, Austin Energy uses hydrogen for generator cooling, carbon dioxide for equipment purging, breathing air for confined space work, nitrogen for electrical transformer and power plant condenser blanketing, and sulfur hexafluoride as an electrical insulating gas to insulate breakers, switches, and switchgears. Austin Water Utility uses the gases to run the gas chromatograph that analyzes gases produced in the digesters at Hornsby Bend, and along with Fleet and Aviation, Austin Water Utility use gases for welding purposes in connection with the repair of vehicles and other City equipment. In addition, the Austin Police Department uses the gases in their Forensic Chemistry Lab.

MBE/WBE solicited: 1/0  MBE/WBE bid: 0/0

BID TABULATION
IFB No. MPM0003REBID
Industrial Gases
(96 – line items)

Vendor                              Total Bid Amount
Airgas, Inc                          $226,418.57
Austin, TX                           
Praxair Distribution                 *
Austin, TX                           

*Non-responsive due to multiple exceptions to the City’s commercial terms & conditions.

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

PRICE ANALYSIS

a. Adequate Competition.
b. Fifty (50) notices were sent including one MBE. There are no known WBEs for this commodity. Two bids were received, with no response from the MBE.
c. The pricing offered represents an average increase of 4.45% to the last contract awards made in December 2008, May 2009, and February 2012.

APPROVAL JUSTIFICATION
a. Lowest bid received. Airgas, Inc. is the current provider for two of the existing contracts for this commodity.
b. The Purchasing Office concurs with Austin Energy, Fleet Services, Austin Water Utility, Aviation, and Austin Police Departments’ recommended award.
c. Advertised on the Internet and in the Austin American Statesman.