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Recommendation for Council Action Water & Wastewater Commission	
Council Meeting Date:	August 20, 2015
Department:	Purchasing
SUBJECT	
Authorize award and execution 24-month sole source requirements supply contract with M-I LLC , for the supply of odor and corrosion control chemical for Austin Water in an amount not to exceed \$233,069, with two 24-month extension options in amounts not to exceed \$233,069 per extension option, for a total contract amount not to exceed \$699,207.	
AMOUNT AND SOURCE OF FUNDING	
Funding in the amount of \$9,712 is available in the Fiscal Year 2014 – 2015 Operating Budget of Austin Water. Funding for the remaining 23-months of the 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:	Sole Source
Prior Council Action:	N/A
For More Information	Steve Aden, 512-972-0047; James Helgren, 512-972-1998
Boards and Commission Action:	To be reviewed by Water and Wastewater Commission on August 12, 2015.
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.

This contract with M-I LLC is for the supply of an odor and corrosion control chemical, trade name Sulfa-Treat. Sulfa-Treat is an iron and clay proprietary composition that is designed to remove hydrogen sulfide from digester gas units. Methane gas is produced in the anaerobic digesters at the Hornsby Bend Biosolids Management Plant. The methane produced has hydrogen sulfide in it. Hydrogen sulfide is very corrosive to equipment. Austin Water takes the methane from the digester gas to provide fuel for boilers and to generate electricity. To preserve the boilers and generator equipment, it is important that this gas is scrubbed and clean of corrosive materials.

An odor and corrosion control system was designed to treat digested gas to control odors and to clean the digested gas that will be used to run the co-generation system. The system that was designed uses the product Sulfa-Treat as the media that actually removes the hydrogen sulfide. This media needs periodic replacement. M-I LLC is the sole manufacturer and distributor of Sulfa-Treat. Any attempt to use a different product in the odor and corrosion control system will result in a void on the warranty of the system. The product has been more effective originally expected and has lasted for a longer timeframe before replacement than anticipated. This is a non-hazardous material and the spent material can be incorporated into the Hornsby Bend Dillo Dirt Product resulting in zero waste.

M-I LLC has been under contract with the City since February 10, 2000. Austin Water currently has a contract with M-I LLC under agreement GS110000017 which expires on August 28, 2015. The Utility must enter into a new contract since there are no opportunities to extend the existing contract. Any delays to renew this contract will lead to irreversible damage to plant boilers, plant generator and Unison system. The Unison system is the condition unit that is used to make the methane gas burnable in the generator.

The pricing offered represents a 9% increase from the previous contract awarded May 2011.