

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	66830	Agenda Number	28.
Meeting Date:	February 2, 2017			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a 24-month contract with NALCO COMPANY, or one of the other qualified offerors to Request For Proposals CAK0006REBID, to provide specialty chemical water treatment services, in an estimated amount of \$3,536,000, with three 12-month extension options in an estimated amount of \$1,768,000 per extension option, for a total contract amount not to exceed \$8,840,000.				
Amount and Source of Funding				
Funding in the amount of \$661,897 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding in the amount of \$43,075 is available in the Fiscal Year 2016-2017 Operating Budget of the Aviation Department. Funding in the amount of \$11,837 is available in the Fiscal Year 2016-2017 Operating Budget of the Parks and Recreation Department. Funding in the amount of \$8,269 is available in the Fiscal Year 2016-2017 Operating Budget of the Austin Convention Center Department. Funding in the amount of \$7,963 is available in the 2016-2017 Operating Budget of the Building Services Department. Funding in the amount of \$2,889 is available in the 2016-2017 Operating Budget of the Financial Services Department. Funding in the amount of \$734 is available in the Fiscal Year 2016-2017 Operating Budget of the Austin Public Library Department. Funding for the remaining 17 months of the original contract period and extension options are contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) CAK0006REBID for these goods and services on October 24, 2016 and it closed on November 15, 2016 with five offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below. The recommended offeror is the current provider for these goods and services.			
Prior Council Action:				
For More Information:	Cheryl A. Kaufman, Senior Buyer, 512-505-3545			
Boards and Commission	January 23, 2017 - Unanimously recommended by the Electric Utility Commission on a 9-0 vote, with two vacancies.			

Action:	
Related Items:	
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.

Additional Backup Information

The contract is for specialty chemical water treatment services for various City departments. Specialty chemicals are designed to protect assets such as chilled water loops, boilers, and cooling water loops. These chemicals are specifically blended and designed to reduce or eliminate corrosion and erosion within the different piping loops located on site at various City facilities including power plants, chilled water plants, various City office buildings, as well as the airport. This contract will allow for better use of facility equipment while reducing the consumption of City water.

An evaluation team with expertise in this area evaluated the offers and scored Nalco Company as the best to provide these services based on technical solution and program, experience and performance capability, cost proposal, and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing contract negotiations with a new provider.

The current contract expires on February 28, 2017, with an authorized amount of \$9,800,000, of which \$9,382,798.37 has been expended, over the six year term of the contract.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

NALCO COMPANY				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 3,536,000	n/a	n/a
Extension Option 1	12	\$ 1,768,000	n/a	n/a
Extension Option 2	12	\$ 1,768,000	n/a	n/a
Extension Option 3	12	\$ 1,768,000	n/a	n/a
TOTAL	60	\$ 8,840,000	\$ -	\$ -