

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: May 10, 2018

Item Number: 032

## Purchasing Office

Authorize award and execution of a multi-term contract with GC3 Specialty Chemicals Inc., to provide bulk aqueous ammonia, for up to four years for a total contract amount not to exceed \$364,800. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

<b>Lead Department</b>	Purchasing Office.
<b>Fiscal Note</b>	Funding in the amount of \$30,400 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.
<b>Purchasing Language</b>	The Purchasing Office issued an Invitation for Bids (IFB) 1100 CAK0104 for these goods. The solicitation issued on January 15, 2018 and it closed on February 6, 2018. Of the three offers received, the recommended contractor submitted the only responsive offer. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: <a href="https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=123088">Solicitation Documents &lt;https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=123088&gt;</a> .
<b>For More Information</b>	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a> < <a href="mailto:AgendaOffice@austintexas.gov">mailto:AgendaOffice@austintexas.gov</a> > NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized

	Contact Person: Cheryl Kaufman, at 512-505-3545 or <a href="mailto:Cheryl.Kaufman@austinenergy.com">Cheryl.Kaufman@austinenergy.com</a> < <a href="mailto:Cheryl.Kaufman@austinenergy.com">mailto:Cheryl.Kaufman@austinenergy.com</a> >.
<b>Council Committee, Boards and Commission Action</b>	April 16, 2018 - Recommended unanimously by the Electric Utility Commission on a 7-0 vote, with Vice Chair Hadden and Commissioner Reel absent and two vacancies.
<b>Client Department(s)</b>	Austin Energy.

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#### **Additional Backup Information:**

The contract will provide bulk aqueous ammonia for Sand Hill Energy Center on an as-needed basis. Aqueous ammonia is used to reduce nitrous oxide emissions by converting it to nitrogen and water. Aqueous ammonia is required for the catalytic reduction systems to operate properly.

The contract will replace a previous contract with a total expenditure of \$339,000 over the past four years. The authorization amount requested is based on actual inventory usage over the last four years.

Without this contract, Austin Energy will not be able to meet federal and state air permit requirements.

#### **Contract Detail:**

<b>Contract Term</b>	<b>Length</b>	<b>Contract Authorization</b>
Initial Term	1 yr.	\$ 91,200
Optional Extension 1	1 yr.	\$ 91,200
Optional Extension 2	1 yr.	\$ 91,200
Optional Extension 3	1 yr.	\$ 91,200
<b>TOTAL</b>	<b>4 yrs.</b>	<b>\$364,800</b>

**Note:**Contract Authorization amounts are based on the City's estimated annual usage.