

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**

**Regular Meeting: June 14, 2018**

Item Number: **036**

**Purchasing Office**

Authorize award and execution of a multi-term contract with DXI Industries Inc., to provide liquid sulfur dioxide, for up to five years for a total contract amount not to exceed \$1,455,000. (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).

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| <b>Lead Department</b>      | Purchasing Office.   |
| <b>Fiscal Note</b>          | Funding in the amount of \$97,000 available in the Fiscal Year 2017-2018 Operating Budget of Austin Water. Funding for the remaining contract terms are contingent upon available funding in future budgets.   |
| <b>Purchasing Language</b>  | The Purchasing Office issued an Invitation for Bids (IFB) 2200 GLB0073 for these goods. The solicitation issued on March 19, 2018 and it closed on April 5, 2018. The recommended contractor submitted the sole 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="#">Solicitation Documents</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><br>< <a href="mailto:AgendaOffice@austintexas.gov">mailto:AgendaOffice@austintexas.gov</a> ><br>NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Persons: Georgia Billela, at 512-974-2939 or <a href="mailto:Georgia.billela@austintexas.gov">Georgia.billela@austintexas.gov</a> |

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|  | <mailto:Georgia.billela@austintexas.gov> or Sandy Wirtanen, at 512-974-7711 or <a href="mailto:Sandy.wirtanen@austintexas.gov">Sandy.wirtanen@austintexas.gov</a> <mailto:Sandy.wirtanen@austintexas.gov>. |
| <b>Council Committee, Boards and Commission Action</b> | May 9, 2018 - Recommended by the Water and Wastewater Commission on a 9-1 vote, with Commissioner Maia voting against and Commissioner Penn absent.  |
| <b>Client Department(s)</b>                            | Austin Water.  |

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**Additional Backup Information:**

The contract will provide liquid sulfur dioxide to be used at Austin Water treatment plants. The solution of sulfur dioxide is used to dechlorinate the wastewater effluent prior to being discharged into receiving streams. This protects aquatic life from toxic effects of residual chlorine in wastewater. This treatment process is a requirement by the Texas Commission on Environmental Quality (TCEQ) for the City's discharge permit for the City's treatment facilities. The City treats approximately 105 million gallons of water a day.

The current contract will expire June 19, 2018. The requested authorization amount for the proposed contract was determined by departmental estimates, historical spend, and forecasted future chemical usage. The use of liquid sulfur dioxide has increased significantly, primarily due to the establishment of new Escherichia coli bacteria limits in the treated wastewater effluent set forth by the TCEQ. The recommended contractor is the current provider for these goods.

If the City is unable to secure a contract, purchases would need to be made by spot purchases on an as-needed basis, resulting in higher costs to avoid potential harm to the environment and possible TCEQ discharge permit violations.

**Contract Detail:**

| <b>Contract Term</b> | <b>Length</b> | <b>Contract of Term Authorization</b> |
|----------------------|---------------|---------------------------------------|
| Initial Term         | 2 yrs.        | \$ 582,000                            |
| Optional Extension 1 | 1 yr.         | \$ 291,000                            |
| Optional Extension 2 | 1 yr.         | \$ 291,000                            |
| Optional Extension 3 | 1 yr.         | \$ 291,000                            |
| <b>TOTAL</b>         | <b>5 yrs.</b> | <b>\$1,455,000</b>                    |

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