



Water & Wastewater Commission Review and Recommendation

Commission Meeting Date:	May 8, 2019
Council Meeting Date:	May 23, 2019
Department:	Purchasing Office
Client:	Brian Haws, Rick Coronado
Agenda Item	
Authorize award of a multi-term contract with ALTIVIA Chemicals, LLC , to provide liquid ferric sulfate, for up to five years for a total contract amount not to exceed \$2,900,000.	
Amount and Source of Funding	
Funding in the amount of \$193,333 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Water. Funding for the remaining contract terms are contingent upon available funding in future budgets.	
Purchasing Language:	The Purchasing Office issued an Invitation for Bids (IFB) 2200 GLB1011 for these goods. The solicitation issued on February 11, 2019 and it closed on February 28, 2019. Of the three offers received, the recommended contractor submitted the lowest 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: Solicitation Documents .
Prior Council Action:	N/A
Boards and Commission Action:	May 8, 2019 – To be reviewed by the Water & Wastewater Commission.
MBE/WBE:	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.

The contract will provide liquid ferric sulfate, to be used for coagulation processes at various water treatment plants owned and operated by Austin Water. Liquid ferric sulfate is added to raw water to begin the coagulation process and causes sediment, bacteria, and other suspended particles in the water to aggregate into larger masses for sedimentation/removal. It is essential in the treatment process to ensure the quality of the City's water supply and to meet the Environmental Protection Agency's regulations.

This contract will replace a current contract which expires June 12, 2019. The requested authorization amount was determined using estimates of increased annual usage and historical spending.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	2 yrs.	\$1,160,000
Optional Extension 1	1 yr.	\$580,000
Optional Extension 2	1 yr.	\$580,000
Optional Extension 3	1 yr.	\$580,000
TOTAL	5 yrs.	\$2,900,000

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

PRICE ANALYSIS

- a) Solicitations: 60 notices were sent, including 0 MBE and 5 WBE firms, 3 responsive bid was received with no M/WBE firms responding.
- b) Cost Analysis: The proposed contract represents an approximate 7% increase in unit cost from the previous contract. The index supports a 13.76% increase.

**BID TABULATION
CITY OF AUSTIN
LIQUID FERRIC SULFATE**

Solicitation No. IFB 2200 GLB1011

RX NO. RQM 18100100008

Opening Date: 2/28/19

Buyer: Georgia Billela

Special Instructions: Offerors must use this Bid Sheet to submit pricing. The City intends to award to one Contractor, however reserves the right to make multiple awards based on individual or groups of specific line items, cost, or any criteria or any combination deemed most advantageous to the City.

Be advised that exceptions taken or qualifying statements made to any portion of the solicitations may jeopardize acceptance of the quote and may result in disqualification of the quote. Prices being submitted shall include ALL discounts, handling and shipping charges, FOB Destination. A bid of '0' (zero) will be interpreted by the City as a no-charge (free) item and the City will not expect to pay for that item. A bid of 'no bid' will be interpreted by the City that the responder does not wish to bid on that item. The quantities noted below are annual estimates and not a guarantee of actual volume. The City does not guarantee the purchase of the quantities listed. Quantities are provided as a guide based on historical usage. Actual purchases may be more or less.

Receipt No.	1	2	3
Vendor Name	Chemtrade Chemicals Corporation	Pencco Inc.	ALTIVIA Chemicals, LLC
Local Presence (Y/N)	N	N	N
MBE/WBE			

ITEM NO.	ITEM DESCRIPTION	ESTIMATED ANNUAL QTY	UNIT	MFG	UNIT PRICE	EXT PRICE	MFG	UNIT PRICE	EXT PRICE	MFG	UNIT PRICE	EXT PRICE
1	Liquid Ferric Sulfate - Ullrich WTP	400000	LBS AS FERRIC IRON (Fe ³⁺)	Chemtrade	1.0417	\$416,680.00	Pencco Inc-Ferric Sulfate	0.72	\$288,000.00	Altivia Chemicals	0.6994	\$279,760.00
2	Liquid Ferric Sulfate - Davis WTP	225000	LBS AS FERRIC IRON (Fe ³⁺)	Chemtrade	1.0417	\$234,382.50	Pencco Inc-Ferric Sulfate	0.72	\$162,000.00	Altivia Chemicals	0.6994	\$157,365.00
3	Liquid Ferric Sulfate - Handcox WTP (formerly WTP #4)	125000	LBS AS FERRIC IRON (Fe ³⁺)	Chemtrade	1.0417	\$130,212.50	Pencco Inc-Ferric Sulfate	0.72	\$90,000.00	Altivia Chemicals	0.6994	\$87,425.00
TOTAL EXTENDED PRICE - CATEGORY 1 =					\$781,275.00		\$540,000.00			\$524,550.00		

Additional Service (PRICING FOR THIS SECTION WILL NOT BE USED TO DETERMINE AWARD).

The Services below shall be fixed throughout the term of the Contract including any subsequent renewal periods. The services include emergency deliveries and early payment option.

A bid of '0' (zero) will be interpreted by the City as a no-charge (free) item and the City will not expect to pay for an Emergency Delivery Charge or net 30 payment terms with no early payment discount offered. A bid of 'no bid' or no response (space left blank) will be interpreted by the City that the Offeror does not wish to bid that line item. Be advised, a 'no bid' or no response may be considered as non-responsive and may result in disqualification of the bid.

ITEM NO.	ITEM DESCRIPTION	UNIT OF MEASURE	PRICE	UNIT OF MEASURE	PRICE	UNIT OF MEASURE	PRICE
4	Flat Rate for Emergency Delivery - Shall be made within twenty-four (24) hours after receipt of order. The City may require partial deliveries from a single truckload to be made at more than one location. (as specified in Section 0400 Paragraph 5H)	Per Truck	\$1,000.00	Per Truck	\$0.00	Per Truck	\$750.00
5	Early Payment Discount (as specified in Section 0400 Paragraph 6E)	Net: 0	Discount: 0	Net: 30	Discount: 1.5% -10 Net	Net: N/A	Discount: N/A

Note:

Award Method: By one total

Prepared By: Sheritta Nesbitt

Approved By: Georgia Billela

Yellow notates award.