



**Recommendation for
Water & Wastewater Commission**

Commission Meeting Date:	July 10, 2019
Council Meeting Date:	August 22, 2019
Department:	Purchasing Office
Client:	Brian Haws, Rick Coronado
SUBJECT	
Recommend approval to authorize award of a multi-term contract with Shrieve Chemical Company, to provide anhydrous ammonia, for up to five years for a total contract amount not to exceed \$1,600,000.	
AMOUNT AND SOURCE OF FUNDING	
Funding in the amount of \$53,333 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 GLB1020REBID for these goods. The solicitation issued on May 6, 2019 and it closed on May 30, 2019. The recommended contractor submitted the only responsive offer. A complete solicitation package, including a tabulation of the bid received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=130896
Prior Council Action:	
Boards and Commission Action:	July 10, 2019 - To be reviewed by the Water and 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 anhydrous ammonia for Austin Water plants. Anhydrous ammonia is mixed into chlorinated water to form chloramines, the secondary disinfectant utilized in potable drinking water treatment at the water treatment plants. The use of chloramines as the secondary disinfectant is required to limit the formation of byproducts in the disinfection process. This product complies with National Sanitation Foundation Standard 60 which governs the use of direct additives for treatment of drinking water.

This contract will replace a current contract which expires September 9, 2019. The requested authorization amount was determined using estimates of increased annual usage and historical spending. The recommended contractor is the current provider for these goods.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	2 yrs.	\$ 640,000
Optional Extension 1	1 yr.	\$ 320,000
Optional Extension 2	1 yr.	\$ 320,000
Optional Extension 3	1 yr.	\$ 320,000
TOTAL	5 yrs.	\$1,600,000

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

PRICE ANALYSIS

- a) Solicitations: 106 notices were sent, including 2 MBE and 2 WBE firms, 1 responsive bid was received with no M/WBE firms responding.
- b) Cost Analysis: The proposed contract represents an approximate 8% increase in unit cost from the previous contract. The index supports a 13.9% increase.

**BID TABULATION
CITY OF AUSTIN
ANHYDROUS AMMONIA**

Solicitation No. IFB 2200 GLB1020REBID

RQM 19011500216

Opening Date: 5/30/2019

Buyer: Georgia Billea

Receipt No.

2

Vendor Name

Shrieve Chemical Company

Local Presence (Y/N)

N

MBE/WBE

Item No.	Item Description	Annual Estimated Quantity	Unit	Unit Price	Annual Extended Price
1	Anhydrous Ammonia	280,000	LBS	\$0.82	\$229,600.00
2	Tank Evacuation as per specification 4.3	6	EA	\$9,100.00	\$54,600.00
				TOTAL	\$284,200.00

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 zero ('0') 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 a non-responsive and may result in disqualification of the bid.

Item No.	DESCRIPTION OF OTHER SERVICES OR PRODUCTS	Unit of Measure	Price
3	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 (specified in Section 0400 Paragraph 5G).	Per Truck	\$3,500.00
4	Early Payment Discount (specified in Section 0400 Paragraph 6E).	Net: 30	Discount 0%

Award Method: By one total

Prepared By: Venisha Ready

Approved By: Georgia Billela

Yellow notates award.