



**Purchasing Supply Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 20
AGENDA DATE: Thu 02/03/2005
PAGE: 1 of 2**

SUBJECT: Authorize execution of a 12-month supply agreement with SUMMIT CHEMICALS, INC., Tulsa, OK, for sodium hexametaphosphate for the Austin Water Utility in an amount not to exceed \$245,830, with two 12-month extension options in an amount not to exceed \$245,830 for each extension option, for a total contract amount not to exceed \$737,490.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$122,915 is available in the Fiscal Year 2004-2005 Approved Operating Budget of the Austin Water Utility. Funding for the remaining six months and extension option is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Austin Water Utility; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Stephen T. Aden, Supervising Senior Buyer, 974-2021.

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid of four bids received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract establishes an annual supply agreement with Summit Chemicals for the purchase of 305 tons of sodium hexametaphosphate, a chemical used in the treatment of the City's municipal water supply to stabilize the water and reduce scale formation in the water plants and in the pipelines.

Sodium hexametaphosphate assists in stabilizing treated drinking water preventing magnesium and silica from coming out of solution and clogging the filters in the water plant and forming deposits in the distribution mains. The use of this chemical reduces maintenance requirements, increases the quality of the product provided to the Utility customers, and is approved by the National Sanitation Foundation.

MBE/WBE solicited: 2/1

MBE/WBE Bid: 0/0



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BID TABULATION
(305 Tons Sodium Hexametaphosphate)
IFB No. SA05100013

<u>VENDOR</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Summit Chemicals Inc. Tulsa, OK	\$806.00	\$245,830.00
Calciquest, Inc. Belmont, NC	\$840.00	\$256,200.00
Shannon Chemical Corp. Malvern, PA	\$977.77	\$298,219.85
Somers Chemical Co. Tulsa, OK	\$987.80	\$301,279.00

PRICE ANALYSIS

- Adequate competition.
- Thirty-six notices were sent including two MBE and one WBE. Four solicitation packages were sent, none of which were MBE or WBE firms. Four bids were received.
- The current pricing represents a 12% increase to the last purchase made August 2003. This can be attributed to the rising costs for chemicals, production, and freight.

APPROVAL JUSTIFICATION

- Low bidder.
- The Austin Water Utility concurs with the recommended award.
- Advertised in the Austin American-Statesman and the Internet.