



**Purchasing Contract  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 16  
**AGENDA DATE:** Thu 06/17/2004  
**PAGE:** 1 of 2

**SUBJECT:** Authorize execution of a 12-month service and supply agreement with US FILTER, INCORPORATED, Conroe, TX, for the lease and operation of water treatment equipment in an amount not to exceed \$150,000, with three 12-month extension options in an amount not to exceed \$150,000 per extension option, for a total agreement amount not to exceed \$600,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$37,500 is available in the Fiscal Year 2003-2004 Amended Operating Budget of the Electric Utility Department. Funding for the remaining nine months of the original contract period and extension options is contingent upon available funding in future budgets.

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

**REQUESTING** Purchasing  
**DEPARTMENT:** for Austin Energy;

**DIRECTOR'S  
AUTHORIZATION:**

**FOR MORE INFORMATION CONTACT:** Martha L. Gaines, Buyer II (512) 322-6583

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Low bid of five 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.

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This contract will be for the lease and operation of temporary water treatment equipment (mobile demineralizers, filtration equipment, water softeners, and reverse osmosis equipment) on an as needed basis for the three Austin Energy power plants: Decker, Holly, and Sand Hill Energy Center. It will be used approximately ten times during the year and will provide a temporary source of ultra-pure water for the power generation facilities. The water is required for high-pressure industrial boilers, gas turbine emission reduction and treatment for beneficial re-use of boiler cleaning flush water.

This is common practice within electric utilities when a power plant's permanent water treatment system becomes inoperative or experiences problems that affect the quality of the water produced. This water treatment equipment will be used to allow the generating units to remain in service.

MBE/WBE Solicited: 0/0

MBE/WBE Bid: 0/0



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**BID TABULATION**

**Management and Lease of Water Treatment Equipment  
(Annual budgeted amount - \$150,000)**

<u>Vendor</u>	<u>Unit Cost</u>
<b>US Filter, Incorporated Conroe, TX</b>	<b>\$ 66,000</b>
 Echolochem Baytown, TX	 \$155,700
 Water & Power Technologies Spring, TX	 \$274,200
 GE Betz San Antonio, TX	 \$346,428
 MPW Water Management Newark, OH	 \$744,984

**PRICE ANALYSIS**

- Adequate competition.
- Seven notices were sent. Five solicitations were issued. Five bids were received. There are no known MBEs/WBEs listed for this commodity code.
- This is the first contract for lease of several types of water treatment equipment. In the past Austin Energy has leased only the mobile demineralizers.

**APPROVAL JUSTIFICATION**

- Low bid.
- The Electric Utility Department concurs with the recommended award.
- Advertised on the Internet.