



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

**AGENDA ITEM NO.: 51  
AGENDA DATE: Thu 12/16/2004  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of a 12-month supply agreement with FSTI, a/k/a Fluid Solution Technology, Incorporated (WBE/ FR), Manor, TX, for liquid sodium hydroxide (caustic soda) in an amount not to exceed \$116,910, with three 12-month extension options in an amount not to exceed \$116,910 per extension option, for a total agreement amount not to exceed \$467,640.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$87,682.50 is available in the Fiscal Year 2004-2005 Approved Operating Budget of Austin Energy. Funding for the remaining three 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 **DIRECTOR'S**  
**DEPARTMENT:** for Austin Energy; **AUTHORIZATION:** Vickie Schubert

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

**PRIOR COUNCIL ACTION:** N/A

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

**PURCHASING:** Lowest bid of three 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 will establish a 12-month supply agreement to provide an estimated 1,381,500 pounds of sodium hydroxide commonly known as caustic soda. Caustic soda is used as a water treatment chemical for the demineralizers at Decker, Holly, and Sand Hill Power Plants. Caustic soda is a regenerant necessary for the production of ultra pure demineralized water. This water is needed in the operation of high-pressure boilers and gas turbines used by Austin Energy in the production of electricity.

MBE/WBE solicited: 0/2

MBE/WBE bid: 0/1



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

**AGENDA ITEM NO.: 51  
AGENDA DATE: Thu 12/16/2004  
PAGE: 2 of 2**

**BID TABULATION  
IFB# MG04100022-A**

<b><u>VENDOR</u></b>	<b><u>TOTAL BID</u></b>
<b>FSTI (FR) Manor, TX</b>	<b>\$116,910</b>
Altivia Corporation Houston, TX	\$134,424
DPC Industries San Antonio, TX	\$139,050

**PRICE ANALYSIS**

- Adequate competition.
- Eight notices were sent, including two WBEs. Three bids were received including one WBE. There are no MBEs listed for this commodity.
- The last contract pricing in October 2001, for caustic soda was \$0.14 per lb. for a full truckload (1,350,000 lbs) and \$0.21 per lb. for less than truckload (31,500 lbs). The new bid pricing is \$.0831 and \$.15 per lb., respectively, which represents a 6% and 7% decrease, respectively.

**APPROVAL JUSTIFICATION**

- Low bid.
- Austin Energy concurs with the recommended award.
- Advertised on the Internet.