


AGENDA



Thursday, June 8, 2006

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ITEM 55

**Purchasing Service Agreement
RECOMMENDATION FOR COUNCIL
ACTION**

Subject: Authorize award and execution of a 12-month requirements supply contract with DPC INDUSTRIES, INCORPORATED, Cleburne, TX, for bulk liquid sodium hydroxide (caustic soda) in an estimated amount not to exceed \$131,309.10, with three 12-month extension options in an estimated amount not to exceed \$131,309.10, for a total estimated contract amount not to exceed \$525,236.40.

Amount and Source of Funding: Funding in the amount of \$32,827.38 is available in Fiscal Year 2005-2006 Approved Operating Budget of Austin Energy. 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.

For More Information: Martha L. Gaines, Buyer II/322-6583

Prior Council Action:


Boards and Commission Action:

Purchasing Language: Lowest 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.

Additional Backup Material

(click to open)

 DPC INDUSTRIES BID
TAB

This contract is for an estimated 1,381,500 pounds of sodium hydroxide commonly named caustic soda. Caustic soda is used as a water treatment chemical for the demineralizers at Decker, Holly, and Sand Hill Power Plants. This chemical is necessary for the production of ultra pure demineralized water. This water is used by Austin Energy in the operation of high-pressure boilers and gas turbines to produce electricity.

MBE/WBE solicited: 0/2 MBE/WBE bid: 0/1

PRICE ANALYSIS

a. Adequate competition.

b. Ten notices were sent, including two WBEs. Six bids were issued. Five bids were received including one WBE. There are no MBEs listed for this commodity.

c. The pricing offered represents an 11% increase from the last award January 2005. This can be attributed to an industry-wide increase in chemical products.

APPROVAL JUSTIFICATION

- a. Lowest bid.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

CITY OF AUSTIN
AGENDA DATE: 060806
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: DPC INDUSTRIES

BID TABULATION
(1,381,500 lbs.- Bulk Caustic Soda)

<u>Vendor</u>	<u>Total Bid</u>
DPC Industries Cleburne, TX	\$131,309.10
 FSTI (FR) Manor, TX	 \$151,470.00
 Altivia Corporation Houston, TX	 \$159,095.70
 Brenntag Southwest Elmendorf, TX	 \$160,492.50
 Univar USA, Inc. Dallas, TX	 \$376,515.00