



AGENDA ITEM NO.: 18
AGENDA DATE: Thu 02/03/2005
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SUBJECT: Authorize execution of a 12-month supply agreement with AIRGAS SOUTHWEST, Austin, TX, for industrial gases and rental of gas cylinders in an amount not to exceed \$172,658.58, with three 12-month extension options in an amount not to exceed \$172,658.58 for each extension option, for a total agreement amount not to exceed \$690,634.32.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$115,105.70 is available in Fiscal Year 2004-2005 Approved Operating Budgets of the following Departments: \$43,007.96-Austin Energy; \$1,414.58-Austin Water Utility; \$66,284.50-Aviation; and \$4,398.66-Financial and Administrative Services Department, Fleet Services. Funding for the remaining four 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: Vickie Schubert

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

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: One bid 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 provide industrial gases and rental of gas cylinders for use by Austin Energy, Austin Water Utility, Aviation, and Fleet Services (FASD) departments for operating and maintenance purposes.

Austin Energy, Decker Lane, uses Hydrogen in the generators for cooling, CO2 in generators to purge Hydrogen for maintenance, and Nitrogen to blanket vessels during shutdown periods to prevent corrosion. The Holly Power Plant uses Hydrogen and carbon dioxide for generators, Liquid Nitrogen is used in heaters and boilers. The Longhorn Dam uses the bottled Nitrogen for the oil system, and Helium for air in leakage testing. Austin Water Utility uses the gases to run the Gas Chromatograph that analyzes the gases produced in the digesters at Hornsby Bend and uses Acetylene, Oxygen, Argon, and Helium for welding and repairing plant equipment. Fleet uses the gases for welding various metals in connection with the repair of vehicles and other City equipment. Aviation also uses the gases for welding purposes.

MBE/WBE Subcontracting Participation: 0%/0%

MBE/WBE Bid: 0/0



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

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**BID TABULATION
Various Industrial Gases and Cylinder Rental
(18 Line Items - 4 Departments)**

Airgas Southwest Austin, TX	\$172,658.58
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A complete bid tabulation is available in the Purchasing Office.

PRICE ANALYSIS

- a. Inquiries were made of four potential bidders that did not submit a bid. Two vendors did not respond to the inquiry. Another vendor stated they were not aware of the solicitation. The fourth vendor stated they do not provide this type product.
- b. Five notices were mailed. Two solicitation packages were issued. One bid was received. There are no known MBEs/WBEs listed for this service.
- c. The current pricing represents a 7% decrease from the last purchase made January 2002.

APPROVAL JUSTIFICATION

- a. Only bid.
- b. All departments concur with the recommended award.
- c. Advertised in the Austin-American Statesman, and on the Internet.