



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

**AGENDA ITEM NO.: 14  
AGENDA DATE: Thu 08/25/2005  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of a 12-month supply agreement with AIRGAS SPECIALTY PRODUCTS, Atlanta, GA, for the purchase of anhydrous ammonia for the Austin Water Utility in an amount not to exceed \$86,320, with two 12-month extension options in an amount not to exceed \$86,320 per extension option, for a total contract amount not to exceed \$258,960.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$7,193 is available in the Fiscal Year 2004-2005 Approved Operating Budget of the Austin Water Utility. Funding for the remaining 11 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 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 two 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 establishes an annual supply agreement to provide anhydrous ammonia for the Austin Water Utility. Anhydrous ammonia is mixed into chlorinated water to form chloramines, the secondary disinfectant utilized in the potable drinking water treatment. The anhydrous ammonia will be delivered to and used at the water treatment plants. This product complies with the National Sanitation Foundation (NSF) Standard 60 which governs the use of direct and indirect additives for the treatment of drinking water.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0



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**BID TABULATION  
IFB #SA05100080  
(332,000 LBS)**

<b><u>VENDOR</u></b>	<b><u>UNIT PRICE</u></b>	<b><u>TOTAL BID</u></b>
<b>Airgas Specialty Products Atlanta, GA</b>	<b>\$0.26</b>	<b>\$ 86,320.00</b>
<b>Shrieve Chemical Co. The Woodlands, TX</b>	<b>\$0.375</b>	<b>\$124,500.00</b>

A complete bid tabulation is available in the Purchasing Office

**PRICE ANALYSIS**

- Adequate competition.
- Nine notices were sent. There were no MBE or WBE firms listed under this commodity. Three solicitations were issued. Two bids were received. One "No Bid" was received.
- The pricing offered represents a 16% increase from the last contract awarded May 2002. This can be attributed to the rising cost in chemical production and fuel.

**APPROVAL JUSTIFICATION**

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