



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

**AGENDA ITEM NO.: 33  
AGENDA DATE: Thu 12/15/2005  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of a 12-month supply agreement with PENCCO, INC., San Felipe, TX for fluorosilicic acid for the Austin Water Utility in an amount not to exceed \$218,225 with two 12-month extension options in an amount not to exceed \$218,225 per extension, for a total contract amount not to exceed \$654,675.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$163,668.75 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Austin Water Utility. Funding for the remaining three months of the initial 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 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 establishes an annual supply agreement to provide fluorosilicic acid for the Austin Water Utility. The fluorosilicic acid will be delivered to and used at the Green, Davis and Ullrich water treatment plants. A solution of fluorosilicic acid and water is added to the drinking water to reduce the incidence of dental problems relating to tooth and bone deterioration.

The product complies with American Water Works Association (AWWA) Standard B703 and National Sanitation Foundation (NSF) Standard 60 which governs additives for the treatment of drinking water.

MBE/WBE solicited: 1/3

MBE/WBE bid: 0/0



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**BID TABULATION  
(1,075 Tons of Fluorosilicic Acid)  
IFB No. SA06100001**

<b><u>VENDOR</u></b>	<b><u>UNIT PRICE</u></b>	<b><u>TOTAL BID</u></b>
<b>Penco, Inc. San Felipe, TX</b>	<b>\$203</b>	<b>\$218,225</b>
<b>Lucier Chemical Industries LTD (LCI) Jacksonville Beach, FL</b>	<b>\$240</b>	<b>\$258,000</b>

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Fifty-four notices were sent including one MBE and three WBEs. Three solicitations were issued with no response from MBEs/WBEs. Two bids were received. One "No Bid" response received.
- c. The pricing offered represents a 40% increase to the last contract awarded April 2003. This can be attributed to the manufacturer's increased production costs, such as fuel.

**APPROVAL JUSTIFICATION**

- a. Low bidder.
- b. The Austin Water Utility concurs with the recommended award herein.
- c. Advertised in the Austin American-Statesman and Internet.