

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	14172	Agenda Number	33.
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Meeting Date:	April 26, 2012
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Department:	Purchasing
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Subject

Authorize award and execution of a 24-month requirements supply agreement with AOC WELDING SUPPLY, for liquid sulfur dioxide for the Austin Water Utility in an estimated amount not to exceed \$338,800, with two 12-month extension options in an estimated amount not to exceed \$169,400 per extension option, for a total estimated contract amount not to exceed \$677,600.

Amount and Source of Funding

Funding in the amount of \$56,467 is available in the Fiscal Year 2011-2012 Operating Budget of the Austin Water Utility Department. Funding for the remaining twenty 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.

Purchasing Language:	Lowest bid received.
Prior Council Action:	
For More Information:	Jeff Dilbert, Buyer II, 974-2651
Boards and Commission Action:	Recommended by the Water and Wastewater Commission.
Related Items:	
MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C 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 Information

This contract establishes an annual agreement for the supply of Liquid Sulfur Dioxide for the Austin Water Utility (AWU). Liquid Sulfur Dioxide is used at the wastewater treatment plants to treat the chlorinated wastewater prior to release. Sulfur dioxide reduces free and combined chlorine to chloride. This reduction prior to release is required by the Texas Commission on Environmental Quality.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

BID TABULATION

JSD0008

Liquid Sulfur Dioxide

(Estimated Annual Expenditure \$169,490)

<u>ITEM DESCRIPTION</u>	<u>AOC Welding Supply</u>			<u>DXI Industries Inc.</u>		
	<u>San Antonio, TX</u>			<u>Houston, TX</u>		
	<u>EST. QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>	<u>EST. QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Liquid Sulfur Dioxide - One Ton Cylinders, Delivered to SAR	140 Tons	\$605	\$84,700	140 Tons	\$609	\$85,260
Liquid Sulfur Dioxide - One Ton Cylinders, Delivered to WC	140 Tons	\$605	\$84,700	140 Tons	\$609	\$85,260
<u>TOTAL BID</u>			<u>\$169,400</u>			<u>\$170,520</u>

PRICE ANALYSIS

- Adequate competition.
- One Hundred and Two notices were sent. There are no WBE/MBE firms listed for this commodity. Two bids were received.
- The pricing offered represents a 2% increase to the last contract award in February 2008.
- The current provider is DXI Industries

APPROVAL JUSTIFICATION

- Lowest bid received. AOC Welding is not the current provider.
- The Purchasing Office concurs with Austin Water Utility Department recommended award.
- Advertised in the Austin American-Statesman and on the Internet.