

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	61060	Agenda Number	61.
Meeting Date:		August 18, 2016			
Department:		Purchasing			
Subject					
Authorize award and execution of a 36-month contract with SHANNON CHEMICAL CORP to provide liquid phosphate, in an amount not to exceed \$918,330, with three 12-month extension options in an amount not to exceed \$306,110 per extension option, for a total contract amount not to exceed \$1,836,660.					
Amount and Source of Funding					
Funding in the amount of \$25,510 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Water. Funding for the remaining 35 months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued an Invitation for Bids (IFB) EAD0252 for these goods on May 23, 2016 and it closed on June 16, 2016 with five offers received. The recommended offer is the lowest offer submitted by a responsible offeror. Additional information is included below the line. The recommended offeror is the current provider for these goods.				
Prior Council Action:					
For More Information:	Erin D'Vincent, Senior Buyer Specialist, 512-974-3070				
Boards and Commission Action:	August 10, 2016 – Recommended by the Water and Wastewater Commission on an 8-0 vote with Commissioner Maia abstaining and Commissioners Castleberry and Parker absent.				
Related Items:					
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this solicitation, there were insufficient subcontracting opportunities and an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.				
Additional Backup Information					

The contract provides liquid phosphate for Austin Water (AW). Liquid phosphate is used in the treatment of the drinking water at the water treatment plants and is used to stabilize the water for corrosion control, scale prevention, and calcium and magnesium stabilization. Phosphate has been used at AW treatment plants for this purpose since 1954. If the water treatment plants do not add liquid phosphate during the treatment process to stabilize the water, the calcium and magnesium will cause scaling and clogging issues in the distribution system.

The current contract expires November 26, 2016. If a contract is not secured, this will result in AW not having some of the proper chemicals to treat drinking water.

BID TABULATION

IFB EAD0252
Liquid Phosphate
(3 line items)

<u>Vendor</u>	<u>Total Price</u>
Shannon Chemical Corp	\$306,110
Malvern, PA	
Brenntag Southwest, Inc.	\$335,272
Houston, TX	
Armstrong Water Technology	\$357,000
Houston, TX	
Carus Corporation	*
Peru, IL	
F2 Industries	*
Smyrna, TN	

* Deemed Non-Responsive – Did not meet the requirements of the solicitation.

A complete solicitation package, including the bid tabulation, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

SHANNON CHEMICAL CORP

	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	36	\$ 918,330	n/a	n/a
Extension Option 1	12	\$ 306,110	n/a	n/a
Extension Option 2	12	\$ 306,110	n/a	n/a

Extension Option 3	12	\$ 306,110	n/a	n/a
TOTAL	72	\$ 1,836,660	\$ -	\$ -