

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	66089	Agenda Number	32.
Meeting Date:	January 26, 2017			
Department:	Purchasing			
Subject				
Authorize award and execution of a 24-month contract with SHRIEVE CHEMICAL COMPANY to provide anhydrous ammonia, in an estimated amount of \$476,088, with three 12-month extension options in an estimated amount of \$238,044 per extension option, for a total contract amount not to exceed \$1,190,220.				
Amount and Source of Funding				
Funding in the amount of \$178,533 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Water. Funding for the remaining 15 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 Invitation for Bids (IFB) JXP0121 for these goods on September 12, 2016 and it closed on September 27, 2016 with two offers received. The recommended offer is the lowest offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is not the current provider for these goods.			
Prior Council Action:	[REDACTED]			
For More Information:	Georgia Billela, Senior Buyer, 512-974-2939			
Boards and Commission Action:	December 14, 2016 - Recommended by the Water and Wastewater Commission on an 8-0 vote with Commissioner's Blanding and Michel absent and Commissioner Lee off the dais.			
Related Items:	[REDACTED]			
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 of M/WBEs; therefore, no subcontracting goals were established.			

Additional Backup Information

The contract will provide anhydrous ammonia for Austin Water plants. Anhydrous ammonia is mixed into chlorinated water to form chloramines, the secondary disinfectant utilized in potable drinking water treatment at the water treatment plants. This product complies with National Sanitation Foundation Standard 60 which governs the use of direct and indirect additives for treatment of drinking water.

The current contract will expire February 21, 2017 with an average yearly spend of \$223,091. The usage of water is increasing with the growth of the City approximately 5% since last contract.

If the City is unable to secure a contract, the City would lose the volume discount and would require spot purchase at a higher market rate. This is a requirement to stay in compliance with the Texas Commission on Environmental Quality Disinfection Byproducts Rule.

BID TABULATION

IFB JXP0121

Anhydrous Ammonia

2 Line Items

<u>Vendor</u>	<u>Total Bid Items</u>
Shrieve Chemical Company	\$215,400
Airgas Specialty Products	\$260,100

A complete solicitation package, including a 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](#)

SHRIEVE CHEMICAL COMPANY				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 476,088	n/a	n/a
Extension Option 1	12	\$ 238,044	n/a	n/a
Extension Option 2	12	\$ 238,044	n/a	n/a
Extension Option 3	12	\$ 238,044	n/a	n/a
TOTAL	60	\$ 1,190,220	\$ -	\$ -