



## Water & Wastewater Commission Review and Recommendation

<b>Commission Meeting Date:</b>	April 11, 2018
<b>Council Meeting Date:</b>	April 26, 2018
<b>Department:</b>	Purchasing
<b>Client:</b>	Rick Harland and Rick Coronado
<b>Agenda Item</b>	
Authorize award and execution of two multi-term contracts with <b>PVS Technologies Inc.</b> and <b>FSTI Inc.</b> , to provide sodium hypochlorite, for up to five years for total contract amounts not to exceed \$4,883,750 divided between the contractors.	
<b>Amount and Source of Funding</b>	
Funding in the amount of \$406,979 available in the Fiscal Year 2017-2018 Operating Budget of Austin Water. Funding for the remaining contract terms are contingent upon available funding in future budgets.	
<b>Purchasing Language:</b>	The Purchasing Office issued an Invitation for Bids (IFB) 2200 GLB0070 for these goods. The solicitation issued on January 29, 2018 and it closed on February 15, 2018. Of the four offers received, the recommended contractors are the lowest offers submitted by responsive offerors.
<b>Prior Council Action:</b>	N/A
<b>Boards and Commission Action:</b>	April 11, 2018- To be reviewed by the Water and Wastewater Commission.
<b>MBE/WBE:</b>	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 no subcontracting opportunities; therefore, no subcontracting goals were established.

These contracts are for sodium hypochlorite to be used at Austin Water wastewater treatment facilities. The sodium hypochlorite is a compound that is added to water at treatment facilities as part of a disinfecting process and used to control the filament bacteria in water purification. The City treats approximately 45 to 48 million gallons of wastewater per day. Wastewater disinfection is one of the requirements of the City's Texas Commission on Environmental Quality wastewater discharge permit. It is also used to control odors during the treatment of the water.

These contracts will replace two contracts which expire on May 8, 2018. The requested authorization amounts for these contracts were determined using departmental estimates and historical spending and estimates of annual wastewater treatment, factoring in increased needs for wastewater treatment. There has been an increase in sodium hypochlorite usage, primarily due to new discharge permit limit requirements for the Escherichia coli (E.coli) bacteria, in addition to higher wastewater flows and constituent loadings.

If the City is unable to secure a contract, the efficiency of disinfecting the water could potentially be affected, creating potential exceedance of a regulatory limit at the facilities.

### **Contract Detail:**

<b>Contract Term</b>	<b>Length of Term</b>	<b>Contract Authorization</b>
Initial Term	2 Years	\$1,953,500
Extension Option 1	1 Year	\$976,750
Extension Option 2	1 Year	\$976,750
Extension Option 3	1 Year	\$976,750
<b>TOTAL</b>	<b>5 Years</b>	<b>\$4,883,750</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.

MBE/WBE solicited: 0/3

MBE/WBE bid: 0/0

### **BID TABULATION** GLB0070 SODIUM HYPOCHLORITE

Receipt No.				1		2		3		4		5			
Vendor Name				PVS Technologies		Univar. USA		FSTI, Inc		Brenntag Southwest.		DXI Industries, Inc.			
Local Presence (Y/N)				N		N		Y		N		N			
MBE/WBE															
SECTION 1															
ITEM NO.	ITEM DESCRIPTION	EST QTY	UNIT	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE		
1	Sodium Hypochlorite Remote Facilities	24,000	GAL	\$0.99	\$23,702.40	No bid	No bid	No bid	\$0.00	\$1.25	\$30,000.00	\$1.12	\$26,997.60		
2	Sodium Hypochlorite - South Austin Regional WWTP	1,400,000	GAL	No bid	No bid	No bid	No bid	\$0.64	\$896,000.00	\$0.72	\$1,003,800.00	\$0.66	\$922,460.00		
TOTAL BID				\$23,702.40		No bid		\$896,000.00		\$1,033,800.00		\$949,457.60			

Note:  
Award Method: Line by Line  
Prepared By: Administrative staff  
Approved By: Georgia Billela

Yellow notates award.

**Note:** Lowest responsive offers in yellow

### **PRICE ANALYSIS**

- a) Competitive Status: Competitively bid.
- b) Solicitations: 80 notices were sent, including 0 MBE and 3 WBE firms.
- c) Quantities were determined based on past expenditures and estimated future needs by the end users.
- d) The original contracts were split between FSTI Inc. PVC Minibulk, Inc.
- e) Combined two contracts into one contract and the overall pricing has increased by 3.19% over the last 4 years.

### **APPROVAL JUSTIFICATION**

- a) Of the four offers received, the recommended contractors are the lowest offers submitted by responsive offers.
- b) Austin Water concurs with Central Purchasing recommended award.