



**Water & Wastewater Commission
Review and Recommendation**

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| Commission Meeting Date: | May 9, 2018 |
| Council Meeting Date: | June 14, 2018 |
| Department: | Purchasing |
| Client: | Brian Haws, Rick Harland and Rick Coronado |
| Agenda Item | |
| <p>Authorize award and execution of a multi-term contract with Brenntag Southwest Inc., to provide sodium chloride, for up to five years for a total contract amount not to exceed \$914,250.</p> | |
| Amount and Source of Funding | |
| <p>Funding in the amount of \$60,950 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.</p> | |
| Purchasing Language: | The Purchasing Office issued an Invitation for Bids (IFB) 2200 GLB0074 for these goods. The solicitation issued on March 19, 2018 and it closed on April 5, 2018. Of the three offers received, the recommended contractor submitted the lowest responsive offer. |
| Prior Council Action: | N/A |
| Boards and Commission Action: | May 9, 2018- To be reviewed by the Water and Wastewater Commission. |
| 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 no subcontracting opportunities; therefore, no subcontracting goals were established. |

The contract will provide sodium chloride to be used at Austin Water's Treatment Plant #4. The product is a form of salt and is used to generate sodium hypochlorite, which is a disinfectant used at the plant. This disinfection is required per the Texas Commission on Environmental Quality (TCEQ). The usage of this controls certain viruses, bacteria, and other microbes in tap water to prevent the spread of waterborne diseases such as cholera, dysentery, and typhoid. Austin Water treats approximately 27 million gallons of water per day at this plant.

The current contract will expire June 30, 2018. The requested authorization amount for the proposed contract was determined using departmental estimates, historical spending, and forecast increased needs for water treatment. Since Fiscal Year 2014, there has been 9.6% increase in water treated and the demand is expected to continue to increase as Austin grows. The recommended contractor is the current provider for these goods.

If the City is unable to secure a contract, purchases would need to be made by spot purchases on an as needed basis resulting in higher costs to avoid possible TCEQ discharge permit violations.

Contract Detail:

| Contract Term | Length of Term | Contract Authorization |
|----------------------|-----------------------|-------------------------------|
| Initial Term | 2 Years | \$365,700 |
| Extension Option 1 | 1 Year | \$182,850 |
| Extension Option 2 | 1 Year | \$182,850 |
| Extension Option 3 | 1 Year | \$182,850 |
| TOTAL | 5 Years | \$914,250 |

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

BID TABULATION

IFB No. GLB0074
Sodium Chloride

VENDOR

Appatek Industries, Inc.
Concord, NC

TOTAL BID

\$0 *

Cole Chemical & Distributing, Inc.
Houston, TX

\$178,640.00

Brenntag Southwest
Manor, TX

\$165,457.60

NOTE: Commodity code: 77563 Salt, Evaporated. * Appatek Industries was deemed non-responsive and did not meet the requirements of the solicitation for failing to return their solicitation package in the proper format. A complete copy of the bid tabulation is on file in the Purchasing Office and is on the City of Austin, FSD Purchasing Office website.

PRICE ANALYSIS

- a. Competitive Status: Competitive competition
- b. Solicitations: 32 notices were sent, there were no MBE and no WBE firm listed under this service. Three bids were received, with no MBE and no WBE firms responding.
- c. The original contract was with Brenntag Southwest, Inc.
- d. Price shows a 9.6% price increase from the prior contract which is in alignment with increases shown in the Producer Price Index for sodium chloride.

APPROVAL JUSTIFICATION

- a. Award to the lowest competitive bid.
- b. Austin Water concurs with Central Purchasing recommended award.