



Water & Wastewater Commission Review and Recommendation

Commission Meeting Date:	November 14, 2018
Council Meeting Date:	November 29, 2018
Department:	Purchasing
Client:	Kevin Koeller, Danielle Lord, Chris Chen, and David Anders
Agenda Item	
Authorize award and execution of a multi-term contract with Interra Hydro, Inc. , a local bidder that offers the City the best combination of contract price and additional economic development opportunities, including the employment of residents and increased tax revenues; to provide smoke testing, manhole inspections, and lateral television inspections of the sewer collection system, for up to five years for a total contract amount not to exceed \$700,000.	
Amount and Source of Funding	
Funding in the amount of \$116,667 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.	
Purchasing Language:	The Purchasing Office issued Invitation for Bids (IFB) 2200 SLW1008 for these services. The solicitation issued on July 30, 2018 and it closed on August 23, 2018. Of the four offers received, the recommended contractor submitted the lowest responsive offer considering local presence.
Prior Council Action:	N/A
Boards and Commission Action:	November 14, 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 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.

The contract will provide smoke testing of the sanitary sewer pipes in Austin Water's collection system. Smoke testing is a preventative measure to identify defects in the wastewater pipes and reduce sanitary sewer overflows. Smoke testing forces smoke-filled air through wastewater pipes. The smoke, under low pressure, fills the main line and any defects are identified on the ground surface.

The smoke that is used for testing is endorsed by the Environmental Protection Agency and has been safely used for more than 20 years. The smoke is not true smoke, but rather a mist containing a large percentage of atmospheric moisture that is highly visible at low concentrations. It is not harmful to health, will not leave a stain, and will disappear rapidly without leaving odor.

This recommendation is in accordance with Local Government Code 271.905 and Resolution 20140807-113 to invoke local preference. This local bidder offers the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City and increased tax revenues to the City.

The current contract expires January 6, 2019. The requested authorization amount was determined using department estimates based on historical spend. The recommended contractor is the current provider for these services.

Contract Detail:

Contract Term	Length of Term	Contract Authorization
Initial Term	3 Years	\$420,000
Optional Extension 1	1 Year	\$140,000
Optional Extension 2	1 Year	\$140,000
TOTAL	5 Years	\$700,000

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

BID TABULATION

Smoke testing, manhole inspections, and lateral television inspections of the sewer collection system - Interra Hydro Inc.

VENDOR

TOTAL BID

*Interra Hydro, Inc.	**\$126,050
BCAC Underground LLC	\$125,250
All Points Inspection Services, Inc.	\$143,935
Taplin Group, LLC	\$456,064.40

PRICE ANALYSIS

- a) *Note: Award of contract is recommended based on the local presence and 2nd low bidder meeting the requirements of the solicitation.
- b) Solicitations: 105 notices were sent, including 9 MBE and 4 WBE firms, 4 responsive bids were received with no M/WBE firms responding.
- c) Quantities were determined based on past expenditures and estimated future need.
- d) Cost Analysis: The annual cost for the proposed contract is 1% over the current annual costs.

APPROVAL JUSTIFICATION

- a) Austin Water concurs with Central Purchasing recommended award.
 - b) **Bid amount was \$126,050 5% was estimated year over year rounded up to \$140,000 * 5 = \$700,000 estimated total contract amount.
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