



## Water & Wastewater Commission Review and Recommendation

<b>Commission Meeting Date:</b>	April 10, 2019
<b>Council Meeting Date:</b>	April 25, 2019
<b>Department:</b>	Purchasing
<b>Client:</b>	Brian Haws, Danielle Lord, Rick Coronado, and David Anders
<b>Agenda Item</b>	
Authorize award of a multi-term contract with <b>Premier Magnesia LLC</b> , to provide magnesium hydroxide slurry and equipment, for up to five years for a total contract amount not to exceed \$35,500,000.	
<b>Amount and Source of Funding</b>	
Funding in the amount of \$2,958,333 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.	
<b>Purchasing Language:</b>	The Purchasing Office issued an Invitation for Bids (IFB) 2200 SLW1001REBID for these goods and services. The solicitation issued on October 22, 2018 and it closed on November 15, 2018. Of the two bids received, the recommended contractor submitted the only responsive offer. A complete solicitation package, including a tabulation of the bid received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: <a href="#">Solicitation Documents</a>
<b>Prior Council Action:</b>	N/A
<b>Boards and Commission Action:</b>	April 10, 2019 – 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 and services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

The contract is for magnesium hydroxide slurry to be used at the City's two major wastewater treatment plants, South Austin Regional (SAR) Wastewater Treatment Plant and Walnut Creek Wastewater Treatment Plant, and other smaller wastewater treatment facilities. The slurry is used to supplement alkalinity to the treatment process to maintain stable pH levels in the wastewater. Maintaining stable pH levels is critical in the biological wastewater treatment process. Allowing pH levels to drop significantly due to the lack of alkalinity, would hinder and cease the biological treatment process leading to violations of the discharge permits issued by the Texas Commission on Environmental Quality. The City's two major plants, SAR and Walnut Creek, together treat nearly 100 million gallons of wastewater a day.

The current contract expires March 12, 2019. The requested amounts were determined using departmental estimates based on historical, current, and projected spending data. The recommended contractor is the current provider for these goods and services.

**Contract Detail:**

<b>Contract Term</b>	<b>Length of Term</b>	<b>Current Authorization</b>
Initial Term	2 Years	\$14,200,000
Extension Option 1	1 Year	\$7,100,000
Optional Extension 2	1 Year	\$7,100,000
Optional Extension 3	1 Year	\$7,100,000
<b>TOTAL</b>	<b>5 Years</b>	<b>\$35,500,000</b>

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

**BID TABULATION**

To provide Magnesium Hydroxide Slurry and Equipment – Premier Magnesia LLC, LLC.

**VENDOR**

**TOTAL BID**

Premier Magnesia LLC

\$35,500,000

Garrison Minerals LLC

\*

\*Bidder was deemed non-responsive – did not meet requirements of the solicitation.

**PRICE ANALYSIS**

- a) Award of contract is recommended based on only responsive bidder meeting the requirements of the solicitation.
- b) Solicitations: 64 notices were sent, including 4 MBE and 3 WBE firms, 1 responsive bid was received with no M/WBE firms responding.
- c) Estimated need was determined based on past expenditures and estimated future need.
- d) Cost Analysis: The proposed contract represents an approximate 5% decrease in unit cost from the previous contract.

#### **APPROVAL JUSTIFICATION**

- a) Austin Water concurs with Central Purchasing recommended award.

**CITY OF AUSTIN  
BID TABULATION  
Magnesium Hydroxide Slurry & Equipment**

**Solicitation No.** IFB 2200 SLW1001REBID

**RX No.** RQM 2200 18083100738

**Opening Date:** 11/15/2018

**Buyer:** Sandy Wirtanen

**Special Instructions:** Offerors must use this Bid Sheet to submit pricing. Be advised that altering the bid sheet or taking exceptions to any portion of the solicitation may jeopardize acceptance of your Offer.

The quantities noted below are estimates and not a guarantee of actual volume. The City does not guarantee the purchase of the quantities listed, actual purchases may be more or less. Quantities are provided as a guide based on historical or anticipated usage. Order quantities will be as-needed and specified by the City for each order.

A bid of "0" (zero) will be interpreted by the City as a no-charge (free) item and the City will not expect to pay for that item. A bid of "no bid" or no response (space left blank) will be interpreted by the City that the Offeror does not wish to bid on that item. Be advised, a "no bid" or no response may be considered as non-responsive and may result in disqualification of the bid.

Prices offered on the bid sheet shall be all inclusive of fees not expressly allowed in the scope of work. The Offeror shall not charge separately for administrative, overhead, per diem, and shipping or transportation costs (travel time, fuel surcharges, mileage, stop-fee, etc.) to deliver services or items to the Austin, Texas area. The Offeror shall provide all tools, labor, travel, and equipment necessary to perform the services required under this contract.

The City reserves the right to award a single contract based on overall low cost or multiple awards based on individual or categories/groups of specific line items, cost, or any criteria or combination deemed most advantageous to the City.

Receipt No.				1				2			
Vendor Name				Garrison Minerals LLC				Premier Magnesias, LLC			
Local Presence (Y/N)				N				N			
MBE/WBE											
ITEM NO.	ITEM DESCRIPTION	EST ANNUAL QTY	UNIT OF MEASURE	ADJUSTMENT FACTOR	ADJ ESTIMATED ANNUAL QUANTITY	UNIT PRICE	EXT PRICE	ADJUSTMENT FACTOR	ADJ ESTIMATED ANNUAL QUANTITY	UNIT PRICE	EXT PRICE
1	Tank and Feed Equipment Rental and Operation & Maintenance for Walnut WWTP	12	month	*	*	*	*	-	-		
2	Tank and Feed Equipment Rental and Operation & Maintenance for SAR WWTP	12	month	*	*	*	*	-	-		
3	Tank and Feed Equipment Rental and Operation & Maintenance for Dessau WWTP	12	month	*	*	*	*	-	-		
4	Tank and Feed Equipment Rental and Operation & Maintenance for Lost Creek WWTP	12	month	*	*	*	*	-	-		
5	Tank and Feed Equipment Rental and Operation & Maintenance for Wild Horse WWTP	12	month	*	*	*	*	-	-		
6	Mobilization/Demobilization and Installation for Walnut Creek WWTP	1	Lot	*	*	*	*	-	-		
7	Mobilization/Demobilization and Installation for SAR WWTP	1	Lot	*	*	*	*	-	-		
8	Mobilization/Demobilization and Installation for Dessau WWTP	1	Lot	*	*	*	*	-	-		
9	Mobilization/Demobilization and Installation for Lost Creek WWTP	1	Lot	*	*	*	*	-	-		
10	Mobilization/Demobilization and Installation for Wild Horse WWTP	1	Lot	*	*	*	*	-	-		
11	Magnesium Hydroxide Slurry cost per dry tons of active product for Walnut WWTP	8000	Dry-Tons	*	*	*	*	-	-	\$715.00	\$5,720,000.00
12	Magnesium Hydroxide Slurry cost per dry tons of active product for SAR WWTP	675	Dry-Tons	*	*	*	*	-	-	\$715.00	\$482,625.00
13	Magnesium Hydroxide Slurry cost per dry tons of active product for Dessau WWTP	100	Dry-Tons	*	*	*	*	-	-	\$715.00	\$71,500.00

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<b>Receipt No.</b>				1				2			
<b>Vendor Name</b>				<b>Garrison Minerals LLC</b>				<b>Premier Magnesia, LLC</b>			
<b>Local Presence (Y/N)</b>				<b>N</b>				<b>N</b>			
<b>MBE/WBE</b>											
14	Magnesium Hydroxide Slurry cost per dry tons of active product for Lost Creek WWTP	100	Dry-Tons	*	*	*	*	-	-	\$715.00	\$71,500.00
15	Magnesium Hydroxide Slurry cost per dry tons of active product for Wild Horse WWTP	100	Dry-Tons	*	*	*	*	-	-	\$715.00	\$71,500.00
<b>TOTAL BID</b>				<b>*</b>				<b>\$6,417,125.00</b>			

**Addition of Future Sites (PRICING FOR THIS SECTION WILL NOT BE USED TO DETERMINE AWARD)**

This information will not be used in the evaluation of the bid and is for informational purposes only. There is no guarantee of purchase.

ITEM NO.	ITEM DESCRIPTION	PRICE	PRICE
16	Tank and Feed Equipment Rental and Operation & Maintenance for Additional Sites	*	\$1,200/month
17	Mobilization/Demobilization and Installation for Additional Sites	*	\$5,000 each
18	Magnesium Hydroxide Slurry cost per dry tons of active product for Additional Sites	*	\$715/dry ton

**Note:** \*Deemed non-responsive - Did not meet specification requirements of the solicitation.

**Award Method:** By one total

**Prepared By:** Sheritta Nesbitt

**Approved By:** Sandy Wirtanen

 Yellow notates award.