



Recommendation for Action

File #: 19-1035, **Agenda Item #:** 18.

4/25/2019

Posting Language

Authorize award of a multi-term contract with Premier Magnesia LLC, to provide magnesium hydroxide slurry and equipment, for up to five years for a total contract amount not to exceed \$35,500,000.

(Note: 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).

Lead Department

Purchasing Office.

Client Department(s)

Austin Water.

Fiscal Note

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.

Purchasing Language:

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: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=127371)
<https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=127371>.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Persons: Sandy Wirtanen, at 512-974-7711 or sandy.wirtanen@austintexas.gov <<mailto:sandy.wirtanen@austintexas.gov>> or Georgia Billela, at 512-974-2939 or georgia.billela@austintexas.gov <<mailto:georgia.billela@austintexas.gov>>.

Council Committee, Boards and Commission Action:

April 10, 2019 - Recommended by the Water and Wastewater Commission on a 9-0 vote, with Commissioner Schmitt absent.

Additional Backup Information:

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 previous contract expired March 15, 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:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	2 yrs.	\$14,200,000
Optional Extension 1	1 yr.	\$ 7,100,000
Optional Extension 2	1 yr.	\$ 7,100,000
Optional Extension 3	1 yr.	\$ 7,100,000
TOTAL	5 yrs.	\$35,500,000

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