

**Posting Language**

Recommend approval to execute a contract for liquid sulfur dioxide with DXI Industries Inc. for a term of five years in an amount not to exceed \$4,240,000.

**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 and no certified M/WBEs; therefore, no subcontracting goals were established.

**Lead Department**

Financial Services Department

**Client Department**

Austin Water Interim Assistant Director of Operations, Mercedes Lopez-Garcia

**Fiscal Note**

Funding in the amount of \$494,667 is available in the Fiscal Year 2022-2023 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.

**Purchasing Language**

The Financial Services Department issued an Invitation for Bids (IFB) 2200 RGW1012 for these goods. The solicitation was issued on November 11, 2022 and closed on December 15, 2022. 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](#).

**Council Committee, Boards and Commission Action**

March 8, 2023 - To be reviewed by the Water and Wastewater Commission

**Additional Backup Information**

The contract will provide liquid sulfur dioxide to be utilized at Austin Water treatment plants. The solution of sulfur dioxide is used to dechlorinate the wastewater effluent prior to being discharged into receiving streams such as the Colorado River. This treatment process protects aquatic life from the toxic effects of residual chlorine in wastewater. The treatment process is a requirement of the Texas Commission on Environmental Quality (TCEQ) for the City's discharge permit.

The contract will replace a contract which expires June 23, 2023. The requested authorization amount for the proposed contract was determined by departmental estimates, historical spend, and forecasted chemical usage. The use of liquid sulfur dioxide has increased significantly, primarily due to the establishment of new Escherichia coli bacteria limits in the treated wastewater effluent set forth by the TCEQ.

If the City is unable to secure a contract, the City will not have a reliable and continuous source for liquid sulfur dioxide. In addition, the City will be forced to procure these goods on an as needed basis, which may result in higher prices and additional operational costs.

**Strategic Outcome(s)**

Health and Environment

**PRICE ANALYSIS**

- a) Solicitations: 10 notices were sent, including no MBE/WBE with no M/WBE firms responding.
- b) Cost Analysis: The proposed contract pricing is 137% higher than the previous contract in 2018 with one BLS metric supporting 36% of the increase.