



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 5/5/2020

ALL

Item Creation Date: 10/10/2019

S28945 - Industrial, Medical and Specialty Gases - MOTION

Agenda Item#: 5.

Summary:

NOT A REAL CAPTION

AIR GAS USA LLC for industrial, medical, and specialty gases for various departments - \$1,647,937.59 - General, Enterprise and Other Funds

Background:

Formal Bids Received June 27, 2019 for S77-S28945 - Approve an award to Air Gas USA LLC in the amount not to exceed \$1,647,937.59 for industrial, medical, and specialty gases for various departments.

Specific Explanation:

The Director of Houston Public Works and the Chief Procurement Officer recommend that City Council approve an award to **Air Gas USA LLC** on its low bid meeting specifications in the amount not to exceed **\$1,647,937.59** for industrial, medical, and specialty gases for various departments. It is further requested that authorization be given to make purchases, as needed, for a **36-month period with two one-year options**. This award consists of various types of gases such as acetylene, argon, helium, carbon dioxide and nitrogen; and cylinder rentals, replacements, and refurbishments to be used by the Houston Airport System, Houston Public Works, Houston Information Technology System, Houston Health, Fleet Management, Solid Waste Management, Administration & Regulatory Affairs, Fire, and Police Departments for welding, pipe cutting, and water lab and quality control testing.

This project was advertised in accordance with the requirements of the State of Texas bids laws. Seven prospective bidders downloaded the solicitation document from SPD's e-bidding website, and three bids were received as detailed below.

Airgas USA LLC: Award on its low bid meeting specifications for Group I, Item Nos. 1 thru 40 and 42 (industrial specialty gases, cylinder rentals and replacements); and Group II, Item Nos. 1 thru 21 (medical gases and cylinder rentals, replacements, and refurbishments) in the amount not to exceed \$1,647,937.59.

<u>Company</u>	<u>Total Amount</u>
1. Praxair, Inc.	\$ 420,400.00 (Partial Bid/Higher Unit Cost/ Did Not Meet Specifications)
2. Airgas USA LLC	\$1,647,937.59
3. Coastal Welding Supply, Inc.	\$2,478,877.49

- Due to the disparity between the bids, the Strategic Procurement Division (SPD) buyer contacted the potential supplier to discuss the scope of work for this procurement. During the discussion, Airgas USA LLC's representative stated that its bid includes all cost associated with supplying the items required in the bid specifications. Based on the aforementioned, the SPD and the departments are confident that the recommended supplier can provide the specified items for the price bid.

Group I, Item No. 41 and Group III, Item Nos. 1 thru 15 will not be awarded. These items will be purchased on an as needed basis.

MWBE Participation:

Zero percentage goal-document approved by the Office of Business Opportunity.

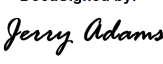
Hire Houston First:

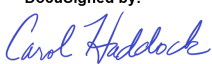
The proposed award requires compliance with the City's 'Hire Houston First' (HHF) ordinance that promotes economic opportunity for Houston businesses and supports job creation. In this case, **Airgas USA LLC** does not meet the requirements for HHF designation; no HHF firms were within three percent.

Fiscal Note:

Funding for this item is included in the FY20 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

4/22/2020

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Jerry Adams, Chief Procurement Officer

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 4/23/2020
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Carol Ellinger Haddock, P.E., Director

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4/22/2020

Finance/Strategic Procurement Division

Houston Public Works

Estimated Spending Authority

Department	FY20	Out Years	Total
Houston Public Works	\$ 104,542.75	\$ 715,621.94	\$ 820,164.69
Fire	\$ 40,000.00	\$ 413,462.83	\$ 453,462.83
Fleet Management	\$ 20,010.60	\$ 80,042.40	\$ 100,053.00
Houston Information Technology	\$ 12,428.49	\$ 90,000.00	\$ 102,428.49
Houston Health	\$ 20,000.00	\$ 81,632.88	\$ 101,632.88
Solid Waste Management	\$ 414.60	\$ 24,461.40	\$ 24,876.00
Administration and Regulatory Affairs	\$ 4,590.00	\$ 18,361.20	\$ 22,951.20
Houston Airport System	\$ 1,756.00	\$ 15,807.60	\$ 17,563.60
Police	\$ 320.32	\$ 4,484.58	\$ 4,804.90
Total	\$ 204,062.76	\$ 1,443,874.83	\$ 1,647,937.59

Amount of Funding:

\$ 16,500.00	Dedicated Drainage & Street Renewal Fund (2310) - Metro
\$ 8,500.00	Dedicated Drainage & Street Renewal Fund (2310) - Ad Valorem
\$ 764,864.69	Water & Sewer System Operating Fund (8300)
\$ 30,300.00	Stormwater Fund (2302)
\$ 687,205.10	General Fund (1000)
\$ 100,053.00	Fleet Management Fund (1005)
\$ 17,563.60	HAS – Revenue Fund (8001)
\$ 22,951.20	BARC Special Revenue Fund (2427)
\$1,647,937.59	Total

Contact Information:

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Shirley Johnson	SPD	832-393-8797
Jedediah Greenfield	HPW	832-395-3754

ATTACHMENTS:

Description	Type
MWBE	Backup Material
S28945 BID TABULATION	Backup Material
FAIR CAMPAIGN ORDINANCE	Backup Material
FORM B	Backup Material
FORM A HPW	Financial Information
FORM A HFD	Financial Information
FORM A HITS	Financial Information
FORM A HHD	Financial Information
FORM A SWD	Financial Information
FORM A HAS	Financial Information
FORM A ARA	Financial Information
FORM A -HPD	Financial Information
FORM A FMD	Financial Information
S28945 Affidavit of Ownership	Backup Material
TAX REPORT	Backup Material
Budget v Actuals - HPW	Financial Information
HPW Funding Docs	Financial Information
Funding Verification for HPW Fund 2302 & 2310	Financial Information
Funding Verification for Fund 8300 & SWD GF	Financial Information