



City of Austin

Recommendation for Action

File #: 26-1986, **Agenda Item #:** 27.

7/23/2026

Posting Language

Authorize a contract for industrial gases and cylinders, used for welding, laboratory testing, plant operations, generator cooling systems, and breathing apparatus equipment, for all City departments with Nippon Sanso Matheson Inc., for an initial term of two years with up to three 1-year extension options in an amount not to exceed \$1,069,000. Funding: \$40,250 is available in the Operating Budgets of various City departments. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Austin Financial Services.

Client Department(s)

All City Departments.

Fiscal Note

Funding in the amount of \$40,250 is available in the Fiscal Year 2025-2026 Operating Budgets of various City departments.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Procurement Language:

Austin Financial Services issued an Invitation for Bids solicitation IFB 5000 RBB1011 for these goods. The solicitation was published on March 30, 2026, and closed on May 7, 2026. Of the two offers received, the bids submitted by the recommended contractor were the lowest responsive bids received. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's website. This information can currently be found at https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=143660.

MBE/WBE:

This contract will be awarded in compliance with the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:

The contract will provide industrial gases and cylinders essential to supporting ongoing operations and maintenance across City facilities. These gases are required for critical functions including welding, laboratory testing, plant operations, generator cooling systems, and breathing apparatus equipment.

The contract replaces a contract expiring August 31, 2026. Requested authorization is based on historical spending and departments estimates of future needs. The recommended contractor is not the current provider for these goods.

If a contract is not secured, the City's ability to support essential operational, maintenance, and safety functions would be significantly impacted.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	2 years	\$388,000
Optional Extension 1	1 year	\$227,000
Optional Extension 2	1 year	\$227,000
Optional Extension 3	1 year	\$227,000
Total	5 years	\$1,069,000

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