

AGENDA



Thursday, May 24, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 20**

Subject: Authorize award and execution of a contract with SAUBER MANUFACTURING COMPANY, Virgil, IL, for the purchase of two 21,000# cable reel trailers for Austin Energy in an amount not to exceed \$91,318.

Amount and Source of Funding: Funding is available in the Fiscal Year 2006-2007 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

For More Information: Ron Mazzarella, Fleet Buyer/974-2837

Purchasing Language: Sole bid received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for the purchase of two replacement 21,000 # capacity cable reel trailers that will be assigned to Austin Energy (AE). These cable reel trailers will be assigned to the Power Delivery Section of AE and will be used to transport overhead electrical conductor to various jobsites.

Both of the units currently in service have met the replacement criteria established by the Fleet Officer. The Fleet Service Center Managers have inspected each piece of equipment to be replaced and determined that the mileage or hours of use of the equipment proposed for replacement cannot be increased without risking a significant increase in repair costs and loss of productivity due to down time.

MBE/WBEs solicited: 0/0

MBE/WBEs bid: 0/0

PRICE ANALYSIS

- a. Sole bidder. This equipment is highly specialized specifically used for the electric utility industry. Other potential bidders were contacted who stated that they were unable to provide this type of equipment at this time.
- b. Twenty-three notices were sent. There are no known MBE/WBEs for this commodity. One bid was received.
- c. The pricing offered represents a 30% increase from the last purchase of this type of equipment made in 2004. This increase is due to the rising costs of steel, labor, and transportation.

APPROVAL JUSTIFICATION

- a. Sole bid received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised in the Austin American-Statesman and Internet.