

## AGENDA



Thursday, June 21, 2007

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 89**

**Subject:** Authorize award and execution of a 36-month requirements supply contract with GRAYS WHOLESALE TIRE, Fort Worth, TX for police tires in an estimated amount not to exceed \$858,360, with three 12-month extension options in an estimated amount not to exceed \$286,120 per extension option, for a total estimated contract amount not to exceed \$1,716,720.

**Amount and Source of Funding:** Funding in the amount of \$71,530 is available in the Fiscal Year 2006-2007 Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining 33 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Sydney Ceder, Senior Buyer, 974-2035

**Purchasing Language:** Lowest bid of two bids 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 will provide for the supply of tires of various types and sizes necessary to maintain the vehicles of the City of Austin's Police Department. This contract is necessary to support the automotive service centers of the Fleet Services Division of the Finance and Administrative Services Department with a reliable and continuous source of supply to purchase these products.

The City has a separate contract in place for the recycling and disposal of scrap tires.

MBE/WBE Solicited: 0/0 MBE/WBE Bid: 0/0

**Price Analysis**

- a. Adequate competition
- b. Twenty-two notices were sent. There are no known MBEs/WBEs for this commodity code. Two bids were received.
- c. For the past two years, the City has purchased this type of tire from the State of Texas contract at a unit price of \$45.68. A new State contract has the new unit price of \$67.75. The City Austin issued its own solicitation and received a unit price of \$58.23 which is a savings of 17%.

**Approval Justification**

- a. Lowest bid received.
- b. The Purchasing Office concurs with the Fleet Services Division of the Financial and Administrative Services Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.