

AGENDA



Thursday, October 11, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 39

Subject: Authorize award and execution of a 24-month requirements supply contract with JAE CONSTRUCTION, INC., Austin, TX for flexible base material in an estimated amount not to exceed \$916,220 with three, 12-month extension options in an estimated amount not to exceed \$458,110 per option, for a total estimated contract amount not to exceed \$2,290,550.

Amount and Source of Funding: Funding in the amount \$458,110 is available in the Fiscal Year 2007-2008 Operating Budget of the Austin Water Utility. Funding for the remaining twelve 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: Stephen Aden, Supervising Sr. Buyer, 974-2021.

Purchasing Language: Low 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.

Boards and Commission Action: Recommended by the Water and Wastewater Commission

This requirements contract will provide approximately 52,000 tons of flexible base material for the Austin Water Utility. Flexible base is used to repair excavations in City streets and to provide concrete slab foundations. Under this agreement contractor will deliver the product within two zones. Zone 1 being north of Town Lake and Zone 2 south of Town Lake. When the need arises pickup can be made at contractor's facilities.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Fifteen notices were sent including one to a MBE firm. Two bids were received.
- c. The pricing offered represents a 31% increase from the last contract awarded July 2003. This increase can be attributed to the rising cost in production and fuel.

APPROVAL JUSTIFICATION

- a. Low bidder.
- b. The Purchasing Office concurs with the recommendation of Austin Water Utility.
- c. Advertised in the Austin American-Statesman and Internet.