

AGENDA



Thursday, November 1, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 26**

Subject: Authorize award and execution of a 24-month requirements supply contract with PRIESTER-MELL & NICHOLSON, Austin, TX for backfill polyurethane foam kits for stabilizing utility poles during installation in an estimated amount not to exceed \$658,840, with two 12-month extension options in an estimated amount not to exceed \$329,420 per extension option, for a total estimated contract amount not to exceed \$1,317,680.

Amount and Source of Funding: Funding in the amount of \$301,968 is available in the Fiscal Year 2007-2008 Operating Budget of Austin Energy. Funding for the remaining 13 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: Gabriel Guerrero, Buyer II/322-6060

Purchasing Language: Lowest bid meeting specifications of four 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 backfill polyurethane foam kits. These foam kits will be used to replenish stock at Austin Energy's Kramer and St. Elmo warehouses for immediate issue to construction crews on an as needed basis. These items are necessary to provide adequate stabilization for utility poles where there is limited dirt for backfill material after the hole is dug and the utility pole is installed.

MBE/WBE Solicited: 0/3

MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Thirty-three notices were sent, including three WBEs. There are no known MBEs available for this commodity. Four bids were received, with no response from the WBEs.
- c. The pricing offered represents a 41% increase to the last contract award in June 2006. The increase is due to higher prices of raw materials, packaging, natural gas, and transportation costs.

APPROVAL JUSTIFICATION

- a. Lowest bid meeting specifications.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.