

## AGENDA



Thursday, December 6, 2007

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 42

**Subject:** Authorize award and execution of a 36-month requirements supply contract with ALAMO IRON WORKS, INC., San Antonio, TX for alkaline and dry cell batteries, lanterns, and flashlights in an estimated amount not to exceed \$163,421, with three 12-month extension options in an estimated amount not to exceed \$57,197 for the first extension option, \$60,057 for the second extension option, and \$63,060 for the third extension option, for a total estimated contract amount not to exceed \$343,735.

**Amount and Source of Funding:** Funding in the amount of \$45,395 is available in the Fiscal Year 2007 – 2008 Operating Budget of various City Departments. Funding for the remaining 26 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:** Mary Quintero-Herrera, Senior Buyer/974-3266.

**Purchasing Language:** Low bid of seven 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 establishes a reliable source for the City-wide annual supply of Alkaline and dry cell batteries, lanterns and flashlights. These items are ordered on an as needed basis for general routine needs of various departments throughout the City.

The major user departments are Austin Energy 51%, APD, 19%, AFD, 12%, EMS, 9%, ACC. 3%, WPDR, 4%, Community Care 2%.

MBE/WBE solicited: 2/5

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. One hundred notices were sent, including two MBEs and five WBEs. Seven bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 29% increase to the previous contract award in April 2004. This increase is mainly due to the substantial increases in raw materials, such as zinc—a key ingredient in batteries, general economic conditions, and increasing global demands for raw materials and energy, rising fuel cost and a higher level of inflation.

**APPROVAL JUSTIFICATION**

- a. Lowest responsive bid.
- b. The Purchasing Office concurs with the Financial and Administrative Services Department, Materials Management's recommended award.
- c. Advertised in the Austin American-Statesmen and on the Internet.