

## AGENDA



Thursday, January 15, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 32**

**Subject:** Authorize award and execution of a 36-month requirements supply agreement with AMERICAN DIVERSITY BUSINESS SOLUTIONS, Spicewood, TX for utility statement forms and bond paper in an estimated amount not to exceed \$222,627, with three 12-month extension options in an estimated amount not to exceed \$74,209 per extension option, for a total estimated contract amount not to exceed \$445,254.

**Amount and Source of Funding:** Funding in the amount of \$49,473 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy. Funding for the remaining 28 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:** Cruz Banda, Buyer II / 974-2133.

**Purchasing Language:** Lowest bid of five bids received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C 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 preprinted utility statement forms to be used for the City's monthly residential and commercial utility bills for Austin Energy, Austin Water Utility, Solid Waste Services, Drainage and the Transportation User Fee. This contract also includes non-printed, perforated bond paper to be used for termination notices, utility bill reprints, and deposit receipts.

The Contractor will print the City's artwork on the forms and ship approximately 1.3 million forms every four months to Regulus, the City's current utility bill processing contractor. Regulus prints and mails itemized statements to all residential and commercial customers.

On January 11, 1990, the City Council approved a resolution known as the Comprehensive Recycling Resolution, which set goals for the purchase of recycled paper for the City of Austin use. The resolution allows the City to use recycled paper if the cost is within 10% of the cost of virgin paper. This contract will not include recycled paper since the bid for recycled paper exceeds 10% of the cost of buying virgin paper products.

MBE/WBE solicited: 4/7

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Seventy-four notices were sent, including four MBEs and seven WBEs. Five bids were received with no response from the MBE/WBEs.
- c. The pricing offered represents a 22% increase to the last contract award in March 2006. This increase is due to higher costs from paper mills associated with the production of paper products.

APPROVAL JUSTIFICATION

- a. Lowest bid received. American Diversity is not the current supplier of these products.
- b. The Purchasing Office concurs with Materials Management and Austin Energy's recommended award.
- c. Advertised in the Austin American-Statesman and Internet.