

AGENDA



Thursday, January 15, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 35**

Subject: Authorize award and execution of a 24-month requirements supply contract with JL-D MANAGEMENT CO., Del Valle, TX for the purchase of flexible base in an estimated amount not to exceed \$300,800, with three 12-month extension options in an estimated amount not to exceed \$150,400 per extension option, for a total estimated contract amount not to exceed \$752,000.

Amount and Source of Funding: Funding in the amount of \$112,800 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy. Funding for the remaining 15 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

For More Information: Terry Nicholson, Senior Buyer / 322-6586.

Purchasing Language: Lowest 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 is for the supply of approximately 14,500 tons of flexible base to be used by Austin Energy on an as-needed basis. Flexible base is crushed limestone that is used to create a stable surface area for the construction of electrical substation facilities and electrical equipment, street cut repairs, and right-of-way improvements.

The contract includes pricing for delivered material to two City of Austin locations, as well as for City of Austin pickup of this material depending upon the City's need for specific projects.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Sixteen notices were sent. There are no known MBE/WBEs available for this commodity.
- c. The pricing offered represents an 18% increase to the last purchase made in January 2004. This increase is based upon the rise in cost for diesel fuel since 2004.

APPROVAL JUSTIFICATION

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