

AGENDA



Thursday, March 5, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 20

Subject: Authorize award and execution of a 12-month requirements service contract with TEXAS DISPOSAL SYSTEMS, INC, Austin, TX for the management and disposal of industrial Class 2 non-hazardous waste for Austin Energy in an estimated amount not to exceed \$305,458, with three 12-month extension options in an estimated amount not to exceed \$305,458 per extension option, for a total estimated contract not to exceed \$1,221,832.

Amount and Source of Funding: Funding in the amount of \$178,184 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy. Funding for the remaining five 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: Shawn Harris, Buyer II / 505-7351

Purchasing Language: Lowest bid of two 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 to provide services for the management and disposal of industrial Class 2 and special non-hazardous wastes generated by Austin Energy (AE). AE manages/occupies several facilities and work sites that generate non-hazardous liquid and solid wastes, generally through routine maintenance activities. Waste includes items such as weathered utility poles, contaminated soil from transformers, and construction/demolition debris.

In order to comply with federal, state, and local regulations, AE requires the services of a waste management contractor, qualified and permitted to manage, transport, store, and dispose of industrial wastes.

MBE/WBE solicited: 2/1

MBE/WBE bid: 0/0

Price Analysis

- a. Adequate competition.
- b. Fifty-eight notices were sent, including two MBEs and one WBE. Two bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 38% increase to the last contract award in September 2007. The increase can be attributed to increased disposal costs from reduced landfill space and increased difficulty in obtaining permits.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Texas Disposal is not the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.