

AGENDA



Thursday, August 27, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 48**

Subject: Authorize award and execution of a 12-month Interlocal Agreement with the Texas Facilities Commission (TFC), Austin, TX for the sale/disposal of City surplus property and to permit the City to acquire or purchase State surplus property in an estimated amount not to exceed \$25,000, with four 12-month renewal options in an estimated amount not to exceed \$25,000 per renewal option, for a total estimated contract amount not to exceed \$125,000.

Amount and Source of Funding: Funding in the amount of \$2,083 is available in the Fiscal Year 2008-2009 Operating Budgets for all City Departments. Funding for the remaining 11 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: Michael Benson, Financial Manager, 974-2032

Purchasing Language: Interlocal Agreement.

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). This contract is an Interlocal Agreement; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.

This contract was developed to streamline City business and reduce the operating budget for the surplus operation. \$48,000 in warehouse rent will be avoided (this warehouse space will now be used as a staging area for emergencies and a supply point for pandemic supplies, i.e. this will keep the City from having to rent new warehouse space for emergency supplies). In addition to reduced expenses for the surplus operation, the city should see a positive cash flow for City surplus items sold by the TFC. The TFC operation is open to the public; citizens may purchase surplus property at a fair market value assigned by TFC staff, including via on-line auction. The TFC will receive a commission for all City surplus items they sell on the City's behalf. The remaining proceeds will be held by the TFC and used to pay for surplus items acquired by the City. The \$25,000 estimate per annum is in place as a contingency to cover any surplus purchases the City makes in excess of the proceeds earned thru the sale of city surplus items.