

AGENDA



Thursday, September 24, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 60

Subject: Authorize award and execution of a 36-month requirements supply contract with CENVEO, INC., Dallas, TX for printed, recycled-content window envelopes in an estimated amount not to exceed \$420,486, with three 12-month extension options in an estimated amount not to exceed \$140,162 per extension option, for a total estimated contract amount not to exceed \$840,972.

Amount and Source of Funding: Funding in the amount of \$140,162 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining 24 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 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.

Boards and Commission Action: Recommended by the Electric Utility Commission.

This contract is for the supply of printed outgoing and return envelopes sizes #9 (two types), #10, and 9"x12" to be used for monthly customer utility bills with the City's Customer Information System. The envelopes will be used for mailing utility bills and for the return of utility bill payments.

In accordance with the Comprehensive Recycling Resolution approved by Council on January 11, 1990, prices were requested for virgin and recycled paper with 30% post-consumer content. The recommended bid for recycled paper is within 10% of the price of the lowest proposed virgin paper price for the two types of #9 and #10 envelopes; therefore, recycled paper envelopes are recommended for purchase. The price for the 9"x12" envelopes will be provided in virgin paper since the price was not within the guidelines of the Resolution.

MBE/WBE solicited: 1/4

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition. Cenveo is not the current provider of these products.
- b. Forty-seven notices were sent, including one MBE and four WBEs. Seven bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 10% decrease from the last contract award in July 2006.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Cenveo, Inc. is not the current supplier of these products.
- b. The Purchasing Office concurs with the Material Management Division's and Austin Energy's recommended award.

c. Advertised in the Austin American-Statesman and on the Internet.