

AGENDA



Thursday, May 27, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 39**

Subject: Authorize award and execution of a 36-month requirements supply contract with HERSEY METERS COMPANY, LLC, d/b/a MUELLER SYSTEMS, LLC, Cleveland, NC for the purchase of cold water meters in an estimated amount not to exceed \$940,383, with three 12-month extension options in an estimated amount not to exceed \$313,461 per extension option, for a total estimated contract amount not to exceed \$1,880,766.

Amount and Source of Funding: Funding in the amount of \$104,487 is available in the Fiscal Year 2009-2010 Operating Budget of the Austin Water Utility. Funding for the remaining 32 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: Roy Rivers, Buyer II / 974-2596

Purchasing Language: Lowest bid of three 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 Water & Wastewater Commission.

This contract is for the supply of various types of water meters for the Austin Water Utility to be installed within the water distribution system on an as needed basis. The water meters supply data to establish revenue billing for the City of Austin.

MBE/WBE solicited: 3/2 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Sixty nine notices were sent, including three MBEs and two WBEs. Three bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 19% decrease from the last contract award in June 2007. This decrease can be attributed to the decline in the costs for metal products.

APPROVAL JUSTIFICATION

- a. Lowest bid. Hersey Meters Company, LLC is the current provider of these products.
- b. The Purchasing Office concurs with Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.