

AGENDA



Thursday, July 29, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 61**

Subject: Authorize award and execution of a 12-month requirements supply contract with STAR AIR, INC., Round Rock, TX to provide replacement air filters in an estimated amount not to exceed \$75,000, with five 12-month extension options in estimated amounts not to exceed \$90,000 for the first extension option, \$108,000 for the second extension option, \$129,600 for the third extension option, \$155,520 for the fourth extension option, and \$186,624 for the fifth extension option, for a total estimated contract amount not to exceed \$744,744.

Amount and Source of Funding: Funding in the amount of \$12,500 is available in the Fiscal Year 2009-2010 Operating Budget of the Financial and Administrative Services Department, Building Services Division. Funding for the remaining 10 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: Aiden Cohen, Senior Buyer, 972-4008

Purchasing Language: Best evaluated bid meeting specifications of four 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 will provide replacement air filters for City-owned heating ventilation and air conditioning (HVAC) equipment.

This contract is necessary to support the required preventative maintenance of HVAC equipment managed by the Building Services Division with a comprehensive, reliable, and continuous source of replacement HVAC filters to ensure healthy indoor air quality. The high-capacity filters have more filter media per square foot which will store more airborne particulates as compared to the filters previously purchased.

As part of the Responsible (Green) Purchasing Program's effort to save money on the basis of total cost of ownership, and in concurrence with the City's Zero Waste Initiative, this contract will allow for the purchase of high-capacity air filters that reduce the required frequency of filter replacements. Fewer filters replaced results in fewer filters purchased, lower labor costs, and a reduction in the amount of material sent to landfills.

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

PRICE ANALYSIS

a. Adequate competition.

b. Fifty-seven notices were sent, including one MBE and one WBE. Four bids were received, with no response from the MBE/WBEs.

c. The pricing offered reflects a 29% increase to the last contract award in February 2008. The increase can be attributed to the higher-quality ("high-capacity") filters specified for this contract. While the high-capacity air filters cost more to purchase, they reduce direct labor costs and the number of filters purchased for HVAC maintenance.

APPROVAL JUSTIFICATION

- a. Best evaluated bid received meeting specifications. Star Air, Inc. is the current supplier of these products.
- b. The Purchasing Office concurs with the Building Service Division's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.