

AGENDA



Thursday, December 9, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 35

Subject: Authorize award and execution of a 12-month revenue contract with MIDSTATE ENVIRONMENTAL SERVICES, LP., Corpus Christi, TX, for the sale of used oil with an estimated revenue of \$34,950, with four 12-month extension options with an estimated revenue of \$34,950 per extension option, for a total estimated revenue of \$174,750.

Amount and Source of Funding: The total revenue for Fiscal Year 2010-2011 is estimated to be \$29,125.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Gage Loots, Buyer II/512-322-6118

Purchasing Language: Highest bid meeting specification of three 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.

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

This contract is for the sale of used oil. The oil is generated at Austin Energy substations, service centers, power plants and chilled water plants. The types of oil sold under this contract are dielectric mineral oil, lubrication oil, and synthetic electro-hydraulic fluid. The oil is separated by Polychlorinated biphenyl (PCB) concentration and is re-sold as a recycled alternative fuel source.

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Thirty-six notices were sent, including one MBE and one WBE. Three bids were received, with no response from the MBE or WBE.
- c. The pricing offered represents a 55% increase to the last contract award in May 2006. This change is due to an increase in demand for recycled residual fuels.

APPROVAL JUSTIFICATION

- a. Highest bid received. Midstate Environmental Services is not the current provider of this service.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.