



**Recommendation for
Water & Wastewater Commission**

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| Commission Meeting Date: | June 12, 2019 |
| Council Meeting Date: | June 20, 2019 |
| Department: | Purchasing Office |
| Client: | Danielle Lord, David Anders (19-1860) |
| SUBJECT | |
| <p>Authorize negotiation and execution of two multi-term cooperative contracts with Fastenal Company and SID Tool Co Inc. D/B/A MSC Industrial Supply, to provide industrial supplies and equipment, for up to four years for a total contract amount not to exceed \$5,664,000, divided between the contractors. Austin Water's requested authorization is \$2,600,000.</p> | |
| AMOUNT AND SOURCE OF FUNDING | |
| <p>Funding in the amount of \$162,500 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.</p> | |
| Purchasing Language: | Multiple cooperative purchase programs were reviewed for these goods. The Purchasing Office has determined these contractors best meets the needs of the departments to provide the goods required at the best value for the City. |
| Prior Council Action: | |
| Boards and Commission Action: | <p>May 13, 2019 - Recommended by the Electric Utility Commission on an 8-0 vote, with Commissioner Weldon off the dais and Commissioners Hadden and Stone absent.</p> <p>June 12, 2019 – To be reviewed by the Water and Wastewater Commission.</p> |
| MBE/WBE: | <p>This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established</p> |

These contracts will provide a reliable source for industrial supplies and equipment used by various City departments to repair and maintain their facilities and equipment. The items available include a wide variety of repair and maintenance equipment and supplies including: electrical, plumbing, fleet vehicle maintenance equipment, janitorial equipment, electrical hand tools, hardware, safety equipment and supplies, small electrical motors and generators, lighting, security, and test instruments. The Contractors will be required to include sustainability measures in line with the City's policies, including compliance with appropriate LEED criteria for indoor air contaminants, FSC certification of wood, waste recycling, and recycled content of products.

The Texas Multiple Award Schedule (TXMAS) cooperative establishes competitively bid contracts that can be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

The current contracts expire June 27, 2019. The requested amounts were determined using departmental estimates based on historical, current, and projected spending data. The recommended contractors are current providers for these goods.

Contract Detail:

| <u>Contract Term</u> | <u>Length of Term</u> | <u>Contract Authorization</u> |
|----------------------|-----------------------|-------------------------------|
| Initial Term | 1 yr. | \$1,416,000 |
| Optional Extension 1 | 1 yr. | \$1,416,000 |
| Optional Extension 2 | 1 yr. | \$1,416,000 |
| Optional Extension 3 | 1 yr. | \$1,416,000 |
| TOTAL | 4 yrs. | \$5,664,000 |

Note: Contract Authorization amounts are based on the City's estimated annual usage.