

# Purchasing Supply Agreement CITY OF AUSTIN RECOMMENDATION FOR COUNCIL ACTION

AGENDA ITEM NO.: 22 AGENDA DATE: Thu 01/29/2004 PAGE: 1 of 2

<u>SUBJECT:</u> Authorize execution of a 12-month supply agreement with DECO PRESS, INC., Porter, TX for window envelopes printed on recycled paper for utility customer service billing in an amount not to exceed \$119,294.28, with two 12-month extension options in an amount not to exceed \$119,294.28 per extension option, for a total agreement amount not to exceed \$357,882.84.

<u>AMOUNT & SOURCE OF FUNDING</u>: Funding in the amount of \$89,471 is available in the Fiscal Year 2003-2004 Amended Operating Budget of the Electric Utility Department. Funding for the remaining three 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.

<b>REQUESTING</b> Purchasing	DIRECTOR'S
<b>DEPARTMENT:</b> for Austin Energy;	AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Sydney Ceder, Buyer II/974-2035

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

**<u>PURCHASING</u>**: Low bid of six bids received.

<u>MBE / WBE:</u> This contract will be awarded in compliance with Chapter 2-9 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 is for printed outgoing and return window envelopes sizes #9, #10 and 9 X 12, which will be used for monthly customer utility bills in conjunction with the City's Customer Information System. The envelopes will be used for the mail out of utility bills and for the return of utility bill payments.

In accordance with the Comprehensive Recycling Resolution of January 11, 1990, bid prices were requested for virgin and recycled paper. The recommended vendor's bid for recycled paper is within the 10% price range of the lowest proposed virgin paper price as required by the Resolution; therefore, recycled items are recommended for purchase.

MBE/WBE Solicited: 2/11

MBE/WBE Bid: 0/0



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### <u>BID TABULATION</u> Window Envelopes – SC04100003 (Three line items)

<u>Vendor</u> Deco Press Porter, Texas	<u>Recycled Paper</u> 119,294.82	<u>Virgin Paper</u> \$119,294.82
Love Envelopes Dallas, Texas	\$120,209.16	\$112,867.91
Nbusiness Austin, Texas	\$120,926.00	\$116,367.00
DocuCorp Coppell, Texas	\$136,107.19	\$121,567.70
National Envelope Grand Prairie, Texas	\$141,902.71	\$119,660.54
Tension Envelope San Antonio, Texas	\$147,806.36	\$140,264.32

A complete bid tabulation is available from the Purchasing Office.

## PRICE ANALYSIS

- a. Adequate competition.
- b. Thirty-five notices were sent, including two MBEs and eleven WBEs. Thirteen bids were issued. Six bids were received with no MBE/WBEs responding. One "No Bid" was received.
- c. The average unit price for previous contract awarded in October 2002 for recycled paper was \$31.01. The new contract average unit price is \$30.21. This represents a decrease of approximately 3%.

## APPROVAL JUSTIFICATION

- a. Low bid.
- b. Finance and Administrative Services Department, Materials Management Division and the Electric Utility Department concur with recommended award.
- c. Advertised in the <u>Austin American-Statesman</u> and Internet.