

**SUBJECT:** Authorize execution of a 12-month supply agreement with AUSTIN CRUSHED STONE COMPANY, INCORPORATED Austin, TX for crushed limestone rock in an amount not to exceed \$149,934, with three 12 -month extension options in an amount not to exceed \$149,934 for a total agreement amount not to exceed \$599,736.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$87,461.50 is available in the 2003-2004 Approved Operating Budget of the Electric Utility Department. Funding for the remaining five 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.

**REQUESTING** Purchasing  
**DEPARTMENT:** for Austin Energy;

**DIRECTOR'S**  
**AUTHORIZATION:** Vickie Schubert

**FOR MORE INFORMATION CONTACT:** Martha Gaines, Buyer II (512) 322-6583

**PRIOR COUNCIL ACTION: N/A**

**BOARD AND COMMISSION ACTION: N/A**

**PURCHASING:** Low bid of two bids received

**MBE / WBE:** 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 supply agreement is for an estimated 14,500 tons of crushed limestone substation surface rock, type “C” aggregate, to be used by the Electric Utility Department at all electrical distribution substations. The National Electrical Safety Code (NESC) requires rock with specific gradation (2,500 ohmmeters) be used to provide a “grounding system” to protect personnel from electrical shock. The industry practice requires the use of a thin layer (4-6 inches) of crushed limestone rock spread over the earth’s surface inside a substation. This layer of crushed rock increases the contact resistance between the soil and the feet of people both in and outside the substation to limit the current through a person’s body to a safe level.

The delivery areas are split into Zones because of the distance of transport. Zone 1 is north of Town Lake, and Zone 2 is south of Town Lake. The price per ton for deliveries to Zone 2 is greater than the cost for Zone 1 because there is more wear and gasoline usage on the vehicle to travel farther. Occasionally, if needed prior to earliest possible delivery, the department will pick the product up rather than having it delivered. Zone 3 is the price per ton for pick-up.

MBE/WBE Solicited: 2/1

MBE/WBE Bid:0/0



**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

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AGENDA DATE: Thu 02/26/2004  
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**BID TABULATION  
Crushed Limestone Rock  
(14,500 tons)**

<u>Vendor</u>	<u>Zone</u>	<u>Qty</u>	<u>Per Ton</u>	<u>Extended Price</u>
<b>Austin Crushed Stone Company, Inc. Austin, TX</b>	1	8,100	\$10.00	\$81,000
	2	5,400	\$11.71	\$63,234
	3	1,000	\$ 5.70	\$ 5,700

**Total Bid - \$149,934.00**

<u>Vendor</u>	<u>Zone</u>	<u>Qty</u>	<u>Per Ton</u>	<u>Extended Price</u>
Centex Materials Austin, TX	1	8,100	\$10.95	\$88,695
	2	5,400	\$10.20	\$55,080
	3	1,000	\$ 7.25	\$ 7,250

**Total Bid - \$151,025.00**

**PRICE ANALYSIS**

- Adequate competition.
- Nine notices were sent, including two MBEs and one WBE. Two bids were issued. Two bids were received. The M/WBEs did not respond.
- In comparison to the last contract, C000146 in 2000, the overall cost reflects an increase of 2-1/2%.

**APPROVAL JUSTIFICATION**

- Low bid.
- The Electric Utility Department concurs with the recommended award.
- Advertised on the Internet.