



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

**AGENDA ITEM NO.: 11
AGENDA DATE: Thu 05/13/2004
PAGE: 1 of 2**

SUBJECT: Authorize execution of a 12-month supply agreement with FERGUSON ENTERPRISES INC., Austin, TX for copper pipe in an amount not to exceed \$66,468, with two 12-month extension options in an amount not to exceed \$66,468 per extension option, for a total agreement amount not to exceed \$199,404.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$27,695 is available in the Fiscal Year 2003-2004 Approved Operating Budget of the Austin Water Utility. Funding for the remaining seven 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 **DIRECTOR'S**
DEPARTMENT:for Austin Water Utility; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Stephen T. Aden, Supervising Senior Buyer/974-2021

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid meeting specifications of five 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 contract establishes an annual supply agreement with Ferguson Enterprises, Inc. for Type K copper pipe of various sizes for the Austin Water Utility. Copper pipe is used by pipe line maintenance crews, construction rehabilitation crews, valve and hydrant crews, as well as the treatment plants in the installation and repair of water lines. Copper pipe is approved by the National Sanitation Foundation (NSF) and required by the Texas Commission on Environmental Quality (TCEQ) for use on water mains. Copper pipe is more durable and long lasting and is used to connect and repair distribution lines from the main line to the customers' meters and allows for easier repairs and maintenance.

A supply of the copper pipe will be stored at the Central Store #2 and the Southeast Service Center so crews will have a readily available supply on hand when needed to provide services to the public.

MBE/WBE solicited: 2/1

MBE/WBE bid: 0/0



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**BID TABULATION
IFB No. SA04100033
Copper & Polyethylene Pipe
(9 Line Items)**

<u>Vendor</u>	<u>Items Bid</u> <u>Total Bid</u>	<u>Items Awarded</u> <u>Total Award Amount</u>
Ferguson Enterprises Austin, TX	1 thru 4 \$ 66,468.00	1 thru 4 \$ 66,468.00
Williams Metals & Welding Garrettsville, OH	1 thru 4** \$ 52,886.00	
Hughes Supply Inc. Austin, TX	1 thru 9 \$102,262.00	5 thru 9* \$ 2,984.00
Techline Inc. Austin, TX	1 thru 9** \$110,172.00	
National Waterworks Inc. Austin, TX	1 thru 9 \$115,940.00	

NOTE: Items 1 through 4 are Type K Copper Pipe and Items 5 through 9 are Polyethylene Pipe of various sizes.

*Administrative award will be made to Hughes Supply Inc. for polyethylene pipe of various sizes, which were items 5 through 9 under the solicitation.

**Items offered were not listed under the City's Standard Products Lists (SPLs) and were not considered for award.

PRICE ANALYSIS

- Adequate competition
- Forty-four notices were sent including two MBEs and one WBE. Seven solicitations were issued. MBE or WBE firms did not request a solicitation. Five bids were received with no responses from MBE or WBE firms.
- In comparison with the previous contract awarded in April 2001, the unit prices of this contract reflect an average 38% increase in cost to the City. This increase can be attributed to the rising cost of copper due to a continued slump in domestic copper consumption of both wire and brass mill products.

APPROVAL JUSTIFICATION

- Low bidder.
- Austin Water Utility concurs with the recommended award.
- Advertised in the Austin American-Statesman and Internet.