



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

AGENDA ITEM NO.: 46
AGENDA DATE: Thu 09/30/2004
PAGE: 1 of 2

SUBJECT: Authorize execution of a 36-month revenue contract with L. A. FAYKUS, Bastrop, TX., for the lease of farm land at the Hornsby Bend Biosolids Management Plant with an estimated revenue of \$78,750 for the initial contract period, with two 12-month extension options with an estimated annual revenue of \$26,250 per extension option, for a total revenue amount of \$131,250.

AMOUNT & SOURCE OF FUNDING: Net estimated revenue of \$78,750 over the duration of the initial 36-month period and \$26,250 over the duration of each 12-month extension option will be included in the Austin Water Utility Operating Budget.

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: Best price 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 revenue contract is for the lease of approximately 525 acres of land at the Hornsby Bend Biosolids Management Plant. The contract provides the contractor with the use of surface rights limited to production of crops for animal (non-human) consumption. The leased acreage will also be utilized by the Austin Water Utility for land application of Class B Biosolids. The Hornsby Bend Biosolids Management Plant includes approximately 305 acres of mixed Coastal Bermuda and Johnson Grass utilized for hay production and approximately 205 acres to be planted or sprigged with agricultural crops. The contractor will be required to coordinate crop selection, planting, harvesting, and record keeping with the Hornsby Bend research team.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0



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**BID TABULATION
Lease of Farm Land at Hornsby Bend Biosolids Management Plant
(525 Acres)
IFB No. SA04300048**

<u>Description</u>	<u>L. A. Faykus Bastrop TX</u>	<u>Costatex Inc. Austin, TX</u>	<u>Poldrack Grain & Cattle Coupland, TX</u>
1. Lease of 525 acres of farm land.			
a. Unit Price per/acre:	\$ 50.00	\$ 43.00	N/B
b. Annual Revenue:	\$26,250.00	\$22,575.00	
c. Initial 36-Month Revenue	\$78,750.00	\$67,725.00	

PRICE ANALYSIS

- a. Adequate competition.
- b. Four firms were solicited, none of which were MBE and WBE. Two bids were received, none of which were MBE/WBEs.
- c. In the past the City received revenue based upon a percentage of the sale of crops. From 2001 thru 2004 the revenue varied between \$4,400 and \$19,000 annually and was dependent on the weather and crop production. Under this contract the City will receive a set amount of revenue, less any cost incurred by the contractor for soil testing, plant testing, or other research related activities to be performed at the direction of the City. The cost for the testing and research related activities will come from the revenue paid to the City.

APPROVAL JUSTIFICATION

- a. Best price offered.
- b. Austin Water Utility concurs with the recommended award.
- c. Advertised in the Austin American-Statesman and Internet.