



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

**AGENDA ITEM NO.: 45
AGENDA DATE: Thu 09/30/2004
PAGE: 1 of 2**

SUBJECT: Authorize execution of a 12-month supply agreement with AUSTIN RECLAIMED MATERIALS L. P. (MH-100%) for the purchase of 3/4" washed river gravel for the Austin Water Utility in an amount not to exceed \$52,350, with two 12-month extension options in an amount not to exceed \$52,350 per extension option, for a total agreement amount not to exceed \$157,050.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$52,350 is available in the Fiscal Year 2004-2005 Approved Operating Budget of the Austin Water Utility. Funding for the 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 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 3/4" washed river gravel for the Austin Water Utility. Gravel is used in the repair of waterlines as a bedding material for pipe. It prevents sagging and movement of pipe during the repairs. Austin Water Utility is required to wrap plastic around waterlines to protect them from corrosion. The washed river gravel is used to cover the plastic because its smooth and rounded shape prevents tearing of the plastic cover. This contract provides the Austin Water Utility the opportunity to provide timely repairs to damaged water and wastewater lines.

The gravel will be delivered to the East Service Center, North Service Center and the Southeast Service Center for storage until needed. In addition, the contract provides for the pickup of approximately 3250 tons of gravel at the vendor's site on an as needed basis.

MBE/WBE solicited: 3/1

MBE/WBE bid: 1/0



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**BID TABULATION
WASHED RIVER GRAVEL
IFB No. SA04100052**

VENDOR

**Austin Reclaimed Materials LP (MBE/MH)
Austin, TX**

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>QTY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1.	Pick-Up at Vendor's Site	3250	TN	\$ 8.00	\$26,000.00
2.	Delivery-East Service Center	600	TN	\$13.00	\$ 7,800.00
3.	Delivery-Southeast Service Center	700	TN	\$13.00	\$ 9,100.00
4.	Delivery-North Service Center	700	TN	\$13.50	\$ 9,450.00
TOTAL BID AMOUNT:					\$52,350.00

**Capitol Aggregates LTD
Austin, TX**

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>QTY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1.	Pick-Up at Vendor's Site	3250	TN	\$ 9.50	\$30,875.00
2.	Delivery-East Service Center	600	TN	\$11.00	\$ 6,600.00
3.	Delivery-Southeast Service Center	700	TN	\$14.00	\$ 9,800.00
4.	Delivery-North Service Center	700	TN	\$13.25	\$ 9,275.00
TOTAL BID AMOUNT:					\$56,550.00

PRICE ANALYSIS

- Adequate competition.
- Thirteen notices were sent including three MBEs and one WBE. Three bids were issued, including one MBE. Two bids were received including one MBE.
- The last contract for this product was bid in July 2001, for a total amount of \$115,100. This solicitation represents an increase of approximately 7% over the previous contract average unit prices. This increase can be attributed to the increased fuel cost for delivery, even though the quantities under this solicitation are half the amount of the previous contract. The quantities were reduced based on the average usage of the product over the past three years.

APPROVAL JUSTIFICATION

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