



**Purchasing Modification
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 16
AGENDA DATE: Thu 11/04/2004
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Pricing for steel suppliers has been unpredictable and unforeseeable due to volatility of the steel market. Soaring prices, strong demand from key consumer sectors such as China and other trade barriers have caused the global steel market to operate outside normal market conditions; as a result many manufacturers are unable to provide firm pricing. These contractors have notified Austin Energy of their inability to honor contract pricing because of the steel price fluctuation. Austin Energy has demonstrated this situation is a Critical Business Need and the Purchasing Office concurs. Goods included in these contracts are necessary for basic service delivery requirements for Austin Energy.

Should steel markets drop and stabilize, the use of surcharges will be discontinued.

REFERENCE FILES – Thomas & Betts File No. C030064; Sabre Tubular Products File No. C030063; Valmont Industries File No. C030062; Texas Metal Technologies File No. C020236