

# A U S T I N C I T Y C O U N C I L

## A G E N D A



Thursday, June 22, 2006

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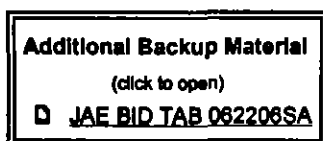
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### **Purchasing Service Agreement RECOMMENDATION FOR COUNCIL ACTION**

**Subject:** Authorize award and execution of 12-month requirements supply agreement with JAE CONSTRUCTION, INCORPORATED (MBE/MH), Austin, TX, for substation surface rock in an estimated amount not to exceed \$209,150, with four 12-month extension options in an estimated amount not to exceed \$209,150 per extension option, for a total estimated contract amount not to exceed \$1,045,750.

**Amount and Source of Funding:** Funding in the amount of \$52,287.50 is available in Fiscal Year 2005-2006 Approved Operating Budget of Austin Energy. Funding for the remaining nine 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.



**For More Information:** Martha L. Gaines, Buyer II/322-6583

**Purchasing Language:** Lowest bid of two bids received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9D 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 requirements supply contract is for an estimated 14,500 tons of substation surface rock, type "C" aggregate, to be used by the Electric Utility Department. The National Electrical Safety Code (NESC) requires that a "grounding system shall be designed to limit touch, step, mesh, and transferred potentials in accordance with industry practices." The industry practice, which is noted by the NESC, is the IEEE Standard 80-1986.

The IEEE 80-1986 requires the use of a thin layer (4-6 inches) of crushed rock spread over the earth's surface above the grounding system 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 decrease body current as compared to the natural moist ground or even dry sod.

MBE/WBE solicited: 3/0 MBE/WBE responded: 1/0

#### **PRICE ANALYSIS**

- a. Adequate competition.
- b. Eighteen notices were sent including three MBEs. Four solicitations were issued. Two bids were received including one MBE. There are no WBEs listed for this commodity code.
- c. The pricing offered represents a 39.4% increase to the last award made in March 2004. This

can be attributed to increases in sand, gravel, fuel and labor costs.

**APPROVAL JUSTIFICATION**

- a. Lowest bidder.
- b. Austin Energy concurs with the recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME:**

**AGENDA DATE:  
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**BID TABULATION  
MG06100011  
(14,500 tons Substation Surface Rock)**

<b><u>Vendor</u></b>	<b><u>Total</u></b>
<b>JAE Construction, Inc. (MBE/MH) Austin, TX</b>	<b>\$209,150</b>
<b>Austin Crushed Stone Austin, TX</b>	<b>\$227,613</b>

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