

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting : February 1, 2018

Item Number: 055

Purchasing Office

Authorize award and execution of a multi-term contract with A.J. Hurt Jr., Inc., to provide oil for turbines and other equipment, for up to three years for a total contract amount not to exceed \$165,599. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department	Purchasing Office.
Fiscal Note	Funding in the amount of \$133,084 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.
Purchasing Language	The Purchasing Office issued an Invitation for Bids (IFB) 1100 KMB0101 for these goods. The solicitation issued on September 11, 2017 and it closed on September 28, 2017. Of the two offers received, the recommended contractor submitted the lowest responsive offer. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents <https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=119910> .
For More Information	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <mailto:AgendaOffice@austintexas.gov> NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized

	Contact Person: Ken Bragdon, at 512-505-7401 or ken.bragdon@austinenenergy.com <mailto:ken.bragdon@austinenenergy.com>.
Council Committee, Boards and Commission Action	January 22, 2017 - To be reviewed by the Electric Utility Commission.
Client Department(s)	Austin Energy.

Additional Backup Information:

The contract will provide Austin Energy with a ready supply of various types of oil to replenish stock at the Decker and Sand Hill power plant warehouses. They will be used as required, for proper maintenance and operation of equipment and meet immediate outage related needs at Austin Energy power plants.

This is the first contract for these materials. Prior to this contract, these materials were purchased as needed. The authority being requested is based on historical usage. Of the items bid by both responders, A.J. Hurt Jr., Inc. was the low bidder in total.

Without this contract, Austin Energy will not be able to respond to immediate outage requirements as well as be required to continue purchasing the products on a piece-meal basis, which is less efficient than having a contract in place.

Contract Detail

		<u>Contract Term</u>	<u>Contract Amount</u>	<u>Contract Amendment</u>	<u>Revised Amount</u>
Initial Term		1	\$137,729	n/a	n/a
Extension Option 1		1	\$ 13,935	n/a	n/a
Extension Option 2		1	\$ 13,935	n/a	n/a
TOTAL	3		\$165,599	\$ -	\$ -