



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

**AGENDA ITEM NO.: 8
AGENDA DATE: Thu 08/25/2005
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SUBJECT: Authorize execution of a contract with WAGNER-SMITH EQUIPMENT COMPANY, Burleson, TX, for refurbishment services for an existing conductor puller/tensioner machine in an amount not to exceed \$69,475.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Amended Operating Budget of Austin Energy.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing
DEPARTMENT: for Austin Energy;

**DIRECTOR'S
AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Sydney Ceder, Buyer II/974-2035

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Only bid 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 contract is to purchase services to completely rebuild a 1968 year-model, PENGGO manufactured conductor puller/tensioner machine that includes components in need of replacement. The machine is currently used by Austin Energy crews to install new overhead distribution lines throughout the City.

The services provided under this contract will bring this older machine into a like-new condition and the expectation is that the refurbished machine will have 20-25 years of additional service life. The cost of replacing this unit with a new machine is approximately \$160,000. This contract saves the City approximately \$90,525 by deferring the total replacement of this machine at this time.

MBE/WBE Solicited: 0/0

MBE/WBE Bid: 0/0



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**BID TABULATION
IFB# SC05300051
REBUILT OF CABLE PULLER/TENSIONER**

**Vendor
Wagner-Smith Equipment Co.
Burleson, Texas**

**Total Award
\$ 69,475.00**

PRICE ANALYSIS

- a. Only bid received. TSE International is the only other known company that is capable of performing these rebuild services, and they chose not to bid. TSE feels that they are unable to be competitive; therefore, they declined to participate in this solicitation process.
- b. Twenty-three notices were sent. There were no MBE/WBEs listed. Two solicitations were issued and one bid was received.
- c. The last contract for these services performed on a similarly aged machine was in May 2003. Wagner-Smith bid a total cost of \$55,570. This represents an approximate increase of 25%. This increase is due to the overall industry increase in petroleum products (tires and hydraulic fluid) and steel. The cost for a complete new machine is approximately \$160,000. Having this machine refurbished saves the City approximately \$90,525 by deferring the total replacement of this machine for an additional 20-25 years.

APPROVAL JUSTIFICATION

- a. Only bidder. Wagner-Smith Equipment Co. was awarded a contract in May 2003 for these services on a similar machine. Austin Energy is pleased with their services and the machine operates like a new unit.
- b. Austin Energy concurs with the recommended award.
- c. Advertised in the Austin American-Statesman and Internet.