

**AGENDA**



**Recommendation for Council Action (Purchasing)**

<b>Austin City Council</b>	<b>Item ID:</b>	27649	<b>Agenda Number</b>	28.
<b>Meeting Date:</b>	October 3, 2013			
<b>Department:</b>	Purchasing			
<b>Subject</b>				
Authorize award and execution of a 36-month revenue contract with VERTEX ENERGY, INC., DBA H&H OIL COMPANY, for the sale of waste oil and disposal of used oil/fuel filters, and floor dry with an estimated revenue of \$258,930, with three 12-month extension options with an estimated revenue of \$86,310 per extension option, for a total estimated revenue of \$517,860.				
<b>Amount and Source of Funding</b>				
The total revenue for Fiscal Year 2013-2014 is estimated to be \$86,310.				
<b>Fiscal Note</b>				
There is no unanticipated fiscal impact. A fiscal note is not required.				
<b>Purchasing Language:</b>	Highest revenue bid received.			
<b>Prior Council Action:</b>	█			
<b>For More Information:</b>	Jonathan Dalchau, Buyer II, 512-974-2938			
<b>Boards and Commission Action:</b>	█			
<b>Related Items:</b>	█			
<b>MBE / WBE:</b>	This contract will be awarded in compliance with City Code Chapter 2-9C (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.			
<b>Additional Backup Information</b>				

This contract is for the sale of waste oil, disposal of used oil/fuel filters, and floor dry which can be reused after recycling. It provides the City with an efficient method of collecting and selling used motor oil, disposing of used oil/fuel filters and floor dry accumulated by the following City departments: Fleet Services and Austin Water Utility. Floor dry is a granular absorbent material that is used to cleanup and control spills in a shop environment. Companies can extract the oil from the absorbent material for recycling purposes.

The Contractor will provide at no cost to the City, 55 gallon drums at various locations to be determined by the City. The Contractor will pick up the full drums, leaving empty drums, and transport the used oil, filters, and floor dry to its facility where the used oil and materials will be processed for recycling and disposal.

The Contractor will pay the City in accordance for each 55-gallon drum of used oil collected and transported for recycling and will pay the City for any quantities of 150 gallons or more they pick up to transport for recycling according to the Producer Price Index. The Contractor will consume the cost to transport the used oil for recycling, and the disposal of the filters and floor dry by factoring any cost associated with transporting into the purchase price of the used oil from City departments.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

**BID TABULATION**

IFB No. JRD0000

Sale of Waste Oil and Disposal of Used Oil/Fuel Filters and Floor Dry

<b><u>Vendor</u></b>	<b><u>Total Yearly Estimated Revenue</u></b>
Vertex Energy, Inc. Pflugerville, TX	\$86,310
Q Environmental, Inc. Houston, TX	\$81,810
Midstate Environmental Services, LP Corpus Christi, TX	\$63,630
Thermo Fluids, Inc. Scottsdale, AZ	\$40,500

The revenue from the first twelve months of the contract is estimated to be \$86,310. A completed bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Twenty notices were sent, including 0 MBE and 0 WBE registered with the City of Austin. Four bids were received with one noncertified City of Austin MBE responding.
- c. The pricing offered reflects a 71% increase in revenue when compared to the last contract awarded in August 2007. This change is due to an increase in demand for recycled oils. In addition, the Crude Oil Price Index has

increased by roughly 50% since August 2007.

**APPROVAL JUSTIFICATION**

- a. Highest bid received.
- b. The Purchasing Office concurs with the Fleet Services Division's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.