

AGENDA



Thursday, January 15, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 38

Subject: Authorize award and execution of a 24-month requirements supply contract with TRANSAMERICAN POWER PRODUCTS, INC., Houston, TX for the purchase of electric utility transmission and distribution steel poles in an estimated amount not to exceed \$14,656,504, with three 12-month extension options in an estimated amount not to exceed \$7,328,252 per extension option, for an estimated contract amount not to exceed \$36,641,260.

Amount and Source of Funding: Funding in the amount of \$14,656,504 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

For More Information: Terry Nicholson, Senior Buyer/512-322-6586

Purchasing Language: Lowest bid of six 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 contract is for the purchase of tubular steel electric utility poles and structures for transmission and distribution construction and maintenance projects for Austin Energy. The contract will ensure a continued and timely supply of poles and structures to be used for construction of new power lines to meet the present and future needs of electrical customers and the upgrades of existing structures and poles on an as-needed basis.

The lead time is 11-15 weeks to have these poles available. The contract includes delivery to either to City of Austin pole storage yards or to a specific work site.

MBE/WBE solicited: 3/2

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Forty-six notices were sent, including three MBEs and two WBEs. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 4% decrease from the last contract award made in June 2006.

APPROVAL JUSTIFICATION

- a. Lowest bid received. TransAmerican Power Products, Inc. is not the current provider of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.