

AGENDA



Thursday, March 26, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 31

Subject: Authorize award and execution of a 12-month requirements service contract with TEREX UTILITIES, San Antonio, TX, for the rental of truck-mounted aerial devices and digger derricks in an estimated amount not to exceed \$200,000, with two 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$600,000.

Amount and Source of Funding: Funding in the amount of \$100,000 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy. Funding for the remaining six 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: Steve Cocke, Buyer II, 974-2003

Purchasing Language: Lowest bid meeting specifications of two bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C 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.

Boards and Commission Action: To be reviewed by the Electric Utility Commission on March 23, 2009.

This contract will provide for the rental of truck-mounted equipment necessary for Austin Energy crews to perform work on overhead electrical equipment and for installing utility poles. The types of trucks available for rental under this contract include truck-mounted, 45-foot digger derricks and truck-mounted aerial devices equipped to perform work at heights ranging from 42 to 90 feet. These trucks will be needed at various times to supplement Austin Energy's fleet on an as-needed basis. The equipment will be used by the Transmission & Distribution System Division of Austin Energy for the maintenance, repair and storm restoration of overhead lines, and the installation of overhead lines for new transmission and distribution projects.

In recent years, this type of rental agreement has been very useful to Austin Energy by filling a need in readily available equipment that allows Austin Energy operations personnel to complete work for capital projects and to meet any unforeseen necessities or emergencies.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Forty-seven notices were sent. There are no known MBE/WBEs available for this commodity. Two bids were received.
- c. The pricing offered represents a 15% increase to the last contract award made in October 2005. This increase is due to the rise in cost to purchase this type equipment and includes the cost for fuel for delivery and pickup..

APPROVAL JUSTIFICATION

- a. Lowest bid received meeting specifications. Terex Utilities is the current rental provider.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.