

AGENDA



Thursday, December 10, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 35**

Subject: Authorize award and execution of a 24-month requirements service contract with MASTEC NORTH AMERICA, INC., Austin, TX, for underground transmission and distribution maintenance services in an estimated amount not to exceed \$12,595,536, with three 12-month extension options in an estimated amount not to exceed \$6,297,768 per extension option, for a total estimated contract amount not to exceed \$31,488,840.

Amount and Source of Funding: Funding in the amount of \$64,000 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding in the amount of \$5,248,140 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy. Funding for the remaining 14 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

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

Purchasing Language: Best evaluated bid 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) with 9.26% MBE and 19.79% WBE subcontractor participation.

Boards and Commission Action: Recommended by the Electric Utility Commission.

This contract will establish a 24-month service and maintenance agreement for Austin Energy's (AE) underground transmission and distribution facilities. These services will include combinations of Capital Improvement, operating and maintenance activities. The agreement will provide AE with ready access to contract labor and equipment for the performance of routine and emergency underground transmission and distribution civil work for which AE has no in-house resources.

Services to be provided will primarily consist of installation and maintenance of the underground electrical distribution and transmission system, which may involve trench excavation, drilled pier installation, placement of conduit, cable, manholes, roadway repair, street light installations and maintenance and right-of-way installation and maintenance.

An invitation for bid - best value bid process was used for this solicitation. An Austin Energy Team with expertise in the contract responsibilities, safety policies and financial analysis evaluated the bids for the best value to the City. Evaluation criteria included demonstrated applicable experience, safety policies and procedures, financial viability and total evaluated cost.

MBE/WBE solicited: 17/8 MBE/WBE bid: 0/0

PRICE ANALYSIS

a. Adequate competition.

- b. One hundred ninety-three notices were sent, including 17 MBEs and eight WBEs. Two bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 3.5% decrease from the last contract award made in January 2004.

APPROVAL JUSTIFICATION

- a. Best evaluated bid received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.