

AGENDA



Thursday, February 4, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 18

Subject: Authorize award and execution of a 12-month requirements service contract with NORTH HOUSTON POLE LINE L.P., Houston, TX to provide wood pole inspection and treatment services in an estimated amount not to exceed \$216,247, with two 12-month extension options in an estimated amount not to exceed \$216,247 per extension option, for a total estimated contract amount not to exceed \$648,741.

Amount and Source of Funding: Funding in the amount of \$144,165 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining four 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: Terry Nicholson, Senior Buyer/322-6586

Purchasing Language: Lowest bid of six 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: Recommended by the Electric Utility Commission.

This contract will provide Austin Energy (AE) with a continuous maintenance program for extending the average service life of wooden utility poles in the AE service area. The program will include the inspection, preservative treatment, and identification of the condition of AE's distribution and transmission poles currently in service. Poles that are over 10 years old and not rejected by a visual inspection will be excavated and treated in place. Poles that are found to be deteriorating beyond acceptable standards due to internal and/or external decay or infestation will not receive treatment and instead will be scheduled for replacement to be completed by AE personnel. Work will be scheduled by AE personnel on a circuit-by-circuit basis. All treatment materials are non-carcinogenic and will have appropriate Environmental Protection Agency registered labels stipulating use, handling procedures, emergency procedures, warnings, and disposal methods.

MBE/WBE solicited: 2/1

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty notices were sent, including two MBEs and one WBE. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 20% increase to the last contract award in July 2005. The reason for the increase in cost is due to additional requirements in the specification and an increase in the cost of chemicals in excess of 25%.

APPROVAL JUSTIFICATION

- a. Lowest bid received. North Houston Pole Line L.P. is not the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.