

AGENDA



Thursday, January 13, 2011

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 20**

Subject: Authorize award and execution of a 12-month requirements supply contract with NATIVE TEXAS NURSERY, INC., Austin, TX for the purchase of potted trees and plants for mitigation services in an estimated amount not to exceed \$52,925, with four 12-month extension options in an estimated amount not to exceed \$52,925 per extension option, for a total estimated contract amount not to exceed \$264,625.

Amount and Source of Funding: Funding in the amount of \$35,283 is available in the Fiscal Year 2010-2011 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: Gage Loots, Buyer II/512-322-6118

Purchasing Language: Lowest most responsive bid of four 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.

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

In Austin, tree limbs are the most common cause of power outages. During windy and stormy weather, swaying and broken tree limbs can rub against and hit or sever power lines. Such impacts can cause service fluctuations, widespread outages, and fires. Most importantly, trees growing too close to power lines endanger the lives of utility workers and the public.

Like most states, Texas adopted the National Electrical Safety Code, which requires electric utilities to prune tree limbs away from power lines and electrical equipment. Austin Energy (AE) follows a pruning program to meet the National Electrical Safety Code, avoid potential liability issues, and prevent outages and accidents. AE's Certified Arborists and Foresters work closely with contractors to prune trees and keep them clear of power lines for four to five years.

This contract is to provide AE with various species and sizes of potted trees and plants for mitigation services. Occasionally, pruning is not sufficient and the trees or plants have to be removed to maintain the integrity of power lines throughout the AE service area. In that case, AE offers the customers replacement trees and plants at no charge. This is an important tool in providing customer service, sustaining Austin's urban forests and ensuring safe and reliable electrical service.

MBE/WBE solicited: 2/5

MBE/WBE bid: 0/0

PRICE ANALYSIS

a. Adequate competition.

- b. Fifty-seven notices were sent including two MBEs and five WBEs. Four bids were received, with no response from the MBEs/WBEs.
- c. The pricing offered represents a 3% increase to the last contract award made in May 2005.

APPROVAL JUSTIFICATION

- a. Lowest most responsive bid received. Native Texas Nursery, Inc. is the current supplier of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.