

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	9470	Agenda Number	48.
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Meeting Date:	September 22, 2011
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Department:	Purchasing
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Subject

Authorize award and execution of a 12-month requirements service agreement with AM CONSERVATION GROUP, INC, Charleston, SC to purchase weatherization kits for Austin Energy, in an estimated amount not to exceed \$393,710, with four 12-month extension options in an estimated amount not to exceed \$265,710 per extension option, for a total estimated contract amount not to exceed \$1,456,550.

Amount and Source of Funding

Funding in the amount of \$149,590 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining eleven 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.

Purchasing Language:	Lowest bid of two bids received.
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Prior Council Action:	
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For More Information:	Terry V. Nicholson, Buyer Sr. /512-322-6586
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Boards and Commission Action:	Recommended by the Electric Utility Commission and the Resource Management Commission.
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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.
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Related Items:	
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Additional Backup Information

In February 2007, the Austin City Council passed Resolution 20070215-023, creating the Austin Climate Protection Plan directing the City to begin taking action to make Austin the leading city in the nation in the effort to reduce and reverse the negative impacts of global warming.

In 2008, Austin Energy developed the Power Saver Volunteer program where participants helped to reduce summer peak demand, thereby reducing the need to build new power plants saving electricity and reducing environmental impacts. In 2011, Austin Energy redesigned the program to provide continual energy education to our customers to promote energy conservation with a new focus to control peak demand year-round.

This contract with AM Conservation Group, Inc. is for the purchase of weatherization kits containing household weatherization materials. Power Saver Volunteers will receive a kit which includes two Energy Star® labeled compact fluorescent light bulbs (14 Watt and 20 Watt), adhesive foam tape for sealing a door or window, light switch and electrical outlet seals and an energy saver nightlight. Austin Energy promotes the program through various outreach events throughout the year, promotions on the AE website as well as the Customer-Care Call Center. Customers can register through the Austin Energy website or by phone through the Call Center.

During a recent campaign, Austin Energy received an overwhelming response from customers to participate as potential Power Saver Volunteers participants. This contract will initially provide approximately 10,000 kits to fulfill a waiting list of new Power Saver Volunteers. Additionally, Austin Energy plans to distribute 1,700 kits monthly for the duration of the contract compared to 1,600 annually on the original contract representing a forecast increase of over 1,100%.

This program is one element of Austin Energy's comprehensive Energy Resource Plan, approved in December 2003 by Austin City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption. The Power Saver Volunteer program is an effort to educate customers regarding energy conservation and to help customers save money on their energy bills. The potential annual average energy savings is as much as 2.3 MW and 111 MegaWatt hours (MWh). The demand (MW) savings associated with the Power Saver Volunteers is estimated at 1.6 MW, at a program cost of \$125 per kiloWatt saved. The annual estimated kiloWatt hour (kWh) savings of 12,718,425 represents a major benefit to the Austin environment. This project will prevent the following air pollutants from being emitted: 7,637.0 metric tons of Carbon Dioxide (CO₂), 4.814 metric tons of Sulfur Dioxide (SO₂), and 5.323 metric tons of Nitrogen Oxides (NOX). In addition, the project savings are also equivalent to an estimated 17,146,761 vehicle miles traveled, the removal of 1,463 cars from our roadways, or the planting of 196,196 trees or 9,810 acres of forest in Austin's parks.

BID TABULATION

IFB TVN0067

Weatherization Kits

(3 Line Items)

VENDOR

AM Conservation Group, Inc.
Charleston, NC

Total Bid

\$393,710.00

Energy Guys, LLC
Austin, TX

\$637,638.00

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS:

- a. Adequate competition.
- b. Eighty-five notices were sent, including five MBEs and five WBEs. Two bids were received with no response from the MBE /WBE's.
- c. The pricing offered represents a 3.7% decrease per unit from the last contract award in October, 2008.

APPROVAL JUSTIFICATION

- a. Lowest bid received. AM Conservation Group, Inc. is the current provider of these goods.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.