

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

14306

Agenda Number

44.

Meeting Date:

April 26, 2012

Department:

Purchasing

Subject

Authorize award and execution of 36-month requirements service contract with each vendor: ASPLUNDH TREE EXPERT CO. and WRIGHT TREE SERVICE, INC. for distribution utility line clearance services in an estimated amount not to exceed \$48,000,000 combined, with two 12-month extension options in an estimated amount not to exceed \$16,000,000 per extension option combined, for a total estimated contract amount not to exceed \$80,000,000 combined.

Amount and Source of Funding

Funding in the amount of \$6,666,667 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining 31 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 two bids received.

Prior Council
Action:For More
Information:

Shawn Harris, Supervising Sr. Buyer / 505-7351

Boards and
Commission
Action:

Recommended by the Electric Utility Commission.

Related Items:

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) by meeting the goals with 7.07% MBE and 1.57% WBE subcontractor participation for Asplundh; and through the achievements of good faith efforts with 1.40% MBE and 0.16% WBE subcontractor

participation for Wright.

Additional Backup Information

This agreement will provide Austin Energy (AE) with professional distribution line clearance services providing scheduled vegetation maintenance and storm restoration capabilities, which requires specialized equipment and staff with specialized training. By utilizing contractors, AE is able to ramp up and down the workforce to meet the needs based on seasonal growth fluctuations throughout the year, unexpected needs resulting from storms, and budget constraints. Tasks will include but shall not be limited to tree pruning and/or removal of various types of vegetation growing around AE's energized electrical lines, utility easements and rights-of-way. This work is extremely important to ensure public and worker safety, electric service reliability and overall customer satisfaction. If this line clearance is not maintained it could result in increased electrical accidents, wildfire ignitions, reduced customer satisfaction, increased tree caused interruptions and reduced reliability. This contract is requirements based, thus the annual expenditures will be based on budget and required work. The contract amount is an estimated not to exceed threshold and not a guarantee of any actual annual amount of work.

Austin Energy has been designated a Tree Line USA utility 10 years in a row by the respected Arbor Day Foundation. The Utility is recognized for following best practices in tree trimming and for promoting the proper planting of trees so they do not interfere with power lines and that provide shade to reduce energy costs.

Austin Energy trims along 400 miles of power lines each year on some 12,000 properties and is one of the few electric utilities in the country that meets with customers and provides a tree trimming plan before tree trimming takes place. The Utility's interactive process is among the most extensive in the country including meeting with property owners before trimming occurs, contacting neighborhood associations to outline trimming plans to leaving door hangers and mailing certified letters. The Utility employs 13 certified arborists to manage the work of contract tree trimming crews and the contractors employ another dozen certified arborists who meet with property owners and oversee trimming activity. In surveys of customers after trimming, Austin Energy consistently receives high marks for the approach and work performed. The utility avoids pruning in neighborhoods with mainly red and live oak trees between mid-February and June to prevent the spread of oak wilt. In areas that provide habitat for the Golden-cheeked Warbler and the Black-capped Vireo, Austin Energy avoids pruning from March through September.

This contract will be awarded to two bidders, one contractor receiving the South Area and the other contractor receiving the North Area of the AE service area. As was described in the solicitation, the lowest bidder will receive their choice of the two areas, and the next low bidder will receive the other area. It is critical to AE to have two contractors available in the event of heavy storm damage or unusually heavy work load.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

BID TABULATION
IFB SMH0123
(70 line items)

<u>Vendor</u>	<u>Total Bid Amount *</u>
Asplundh Tree Expert Co Corpus Christi, TX	\$23,412,856.36
Wright Tree Service Inc.	\$24,467,489.59

Des Moines, IA

**Davey Tree Surgery Co
Livermore, CA**

\$25,716,035.01

*Bid amount for evaluation purposes only, contract award amount was stated in the solicitation

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. Twelve notices were sent including one MBE. There are no known WBEs for this commodity code. Three bids were received.
- c. The pricing offered represents a 4.5% decrease from the last contracts awarded in August 2006.

APPROVAL JUSTIFICATION

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