

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	21086	Agenda Number	39.
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Meeting Date:	January 17, 2013
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Department:	Purchasing
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Subject

Authorize award, negotiation and execution of Amendment No. 1 to a contract with ALTEC INDUSTRIES for the lease of truck-mounted aerial devices and digger derricks, to increase the contract amount by \$575,245 (\$115,049 annually) for Phase II and \$418,215 (\$83,643 annually) for Phase III, for a revised total estimated contract amount not to exceed \$11,727,190.

Amount and Source of Funding

Funding in the amount of \$850,698 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining months of the contract, including additional phases, is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Contract Amendment.
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Prior Council Action:	May 24, 2012 – Approved original contract
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For More Information:	Gabriel Guerrero, Buyer II /322-6060
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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Related Items:	
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MBE / WBE:	This contract was 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.
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Additional Backup Information

This contract with Altec Industries, St. Joseph, MO, will continue to provide Austin Energy (AE) with a 60-month lease of equipment including 65-foot aerial devices, 55-foot aerial devices, 36-foot aerial devices and 45-foot digger derricks. This equipment is required for the construction and maintenance of AE's transmission and distribution system. The equipment will replace equipment that has exceeded its useful lifespan and has become excessively expensive to maintain, and equipment that is currently leased under an expiring contract. The aerial devices included in this contract are mounted on truck chassis equipped with diesel-powered engines capable of operating on B-20 Biodiesel. The contract includes regular maintenance as well as loaner equipment should leased equipment be unavailable for more than a week.

This contract was competitively bid and awarded in May 2012. This equipment is custom made resulting in a lead time of eight to ten months from time the order is placed. The equipment is scheduled to be ordered in three phases so that it is ordered when required. Phase I equipment was ordered in June 2012 with an estimated delivery of April 2013. Phase II equipment is planned to be ordered in February 2013 with an estimated delivery of December 2013 and Phase III is estimated to be ordered in June 2013 with an estimated delivery of February 2014.

The increase in funding for Phase II and III is due to: 1) new model year 2014 chassis requirements that includes on-board diagnostic check systems; 2) a change from ISC 8 liter engine to new ISL 9 liter engine that include on-board emissions diagnostics required by new federal emissions changes; and 3) an increase in extended service pricing. In addition, the increase allows AE to add a needed 2-ton underground service body to Phase II.

Contract Summary

Action	Description	Amount
Original Contract awarded 5/24/2012	Original 60-month contract	\$ 10,733,730
Proposed Amendment No. 1	Increase dollar amount for Phase II and Phase III	\$ 993,460
Total Revised Contract Amount		\$ 11,727,190