

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

41301

Agenda Number

24.

Meeting Date:

March 5, 2015

Department:

Purchasing

## Subject

Authorize award and execution of a 36-month contract with TEXAS ELECTRIC COOPERATIVES to provide pressure treated wood poles for Austin Energy in an amount not to exceed \$3,767,343 with three 12-month extension options in an amount not to exceed \$1,255,781 per extension option, for a total contract amount not to exceed \$7,534,686.

## Amount and Source of Funding

Funding in the amount of \$732,539 is available in the Fiscal Year 2014-2015 Operating Budget of Austin Energy. Funding for the remaining 29 months of the original contract period and extension options are 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 received.

Prior Council  
Action:For More  
Information:

Gabriel Guerrero, Buyer II, 512-322-6060

Boards and  
Commission  
Action:

February 23, 2015 - Recommended by the Electric Utility Commission on a vote of 5-0 with Commissioners Meijer and Rai absent.

Related Items:

MBE / WBE:

This contract will be awarded in compliance with City Code Chapter 2-9D Minority-Owned and Women-Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

## Additional Backup Information

This contract will provide wooden utility poles to support overhead power line conductor cable, fiber optic cable and related equipment such as transformers, street lights and all other associated hardware for the transmission and distribution of electricity to Austin Energy customers. This contract includes various sizes of wooden poles ranging from 35 to 95 feet. They are treated with creosote to protect them from rot, fungus and insects. The poles will be used to replenish stock at Austin Energy's Kramer and St. Elmo warehouses for any Capital Improvement Projects as well as to replace damaged existing poles. This is a replacement contract to replace the current contract and is expected to take effect in March 2015. During calendar year 2014, Austin Energy purchased 1,665 wooden poles for a total of approximately \$775,292. Austin Energy currently has in excess of 150,000 poles installed throughout its service area.

The current contract ends on July 31, 2015 and is running out of spending authorization due to higher than anticipated usage. If this item is not approved, the department will not have a reliable source for the wooden utility poles and will have to make individual purchases off contract at a higher price. Based on current usage, the monthly savings with this contract is \$9,921.

MBE /WBE Solicited: 0/0

MBE /WBE Bid: 0/0

**BID TABULATION**

IFB No. GGU0138

Pressure Treated Wood Poles - Annual Price Agreement  
(20 line items)

<b><u>Vendor</u></b>	<b><u>Total Annual Cost</u></b>
Texas Electric Cooperatives Austin, TX	\$1,255,781
Lufkin Creosoting Co Lufkin, TX	\$1,408,304
Thomasson Company Philadelphia, MS	\$1,487,723

A complete bid tabulation is on file in the Purchasing Office and is on the City's Financial Services Austin Finance Online website at [http://ci.austin.tx.us/financeonline/vendor\\_connection/solicitation/search.cfm](http://ci.austin.tx.us/financeonline/vendor_connection/solicitation/search.cfm)

**PRICE ANALYSIS**

- a. Adequate competition.
- b. 42 notices were sent. There are no known MBEs or WBEs for this commodity code. Three bids were received.
- c. The pricing offered represents a 9.48% price decrease to the last contract awarded in January of 2012.

**APPROVAL JUSTIFICATION**

- a. Lowest bid received. Texas Electric Cooperatives is the current provider of these goods.

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