

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

45480

Agenda Number

33.

Meeting Date:

June 18, 2015

Department:

Purchasing

Subject

Authorize award and execution of a 24-month supply contract with SMITH MOUNTAIN INVESTMENTS, LLC, to provide inspection of and treatment for services of distribution wood poles for Austin Energy, in an amount not to exceed \$807,678, with three 12-month extension options in an amount not to exceed \$403,839 per extension option, for a total contract amount not to exceed \$2,019,195.

Amount and Source of Funding

Funding in the amount of \$134,613 is available in the Fiscal Year 2014-2015 Austin Energy Operating Budget. Funding for the remaining 20 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:

Darralyn N. Johnson, Buyer II, 512-505-7293

Boards and
Commission
Action:

June 15, 2015 - To be reviewed by the Electric Utility Commission.

Related Items:

MBE / WBE:

This contract will be awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. Per the City's Small and Minority Business Resources Department, no subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Additional Backup Information

This contract will provide inspection of and treatment services for approximately 110,000 wood poles in Austin Energy's 437-square-mile service territory.

Austin Energy requires inspection and treatment of wood utility poles in its distribution system to ensure infrastructure reliability. The contractor will provide analysis on each wood pole to determine its integrity. If needed, the contractor will treat the pole to prevent weakness due to insect and other environmental hazards.

MBE/WBE solicited: 7/1

MBE/WBE bid: 0/0

BID TABULATION

IFB DNJ0111

Distribution Wood Pole Inspection and Treatment
(9-line items)

<u>Vendor</u>	<u>Total Bid Amount</u>
Smith Mountain Investment, LLC Anson, Maine	\$403,838.40
Texas Utility Engineering, Inc. San Antonio, TX	\$598,864.00
Quality Pole Inspection & Maintenance, Inc. Edna, Texas	\$1,256,498.60

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

PRICE ANALYSIS

- Adequate competition.
- 87 notices were sent including seven MBEs and one WBE. Three bids were received with no response from the MBEs/WBE.
- The pricing offered represents a 56% increase to the last contract award made June 2013. Although a higher cost compared to the last contract, this pricing represents a competitive price within the marketplace as supported by the other bids that were received.

APPROVAL JUSTIFICATION

- Lowest bid received.
- The Purchasing Office concurs with the Austin Energy's recommended award.
- Advertised on the internet.