

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	51945	Agenda Number	75.
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Meeting Date:	November 19, 2015
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Department:	Purchasing
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Subject

Authorize negotiation and execution of a 24-month contract with MASTEC NORTH AMERICA INC., or one of the other qualified offerors to Request for Proposal GAL0022, for underground transmission and distribution electrical construction services in an amount not to exceed \$20,000,000, with four 12-month extension options in an amount not to exceed \$10,000,000 per extension option, for a total contract amount not to exceed \$60,000,000.

Amount and Source of Funding

Funding in the amount of \$8,333,333 is available in the Fiscal Year 2015-2016 Capital Budget of Austin Energy. Funding for the remaining 16-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:	Best evaluated proposal.
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Prior Council Action:	
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For More Information:	Gage Loots, Corporate Purchasing Manager, 512-322-6251
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Boards and Commission Action:	October 19, 2015 - Recommended by the Electric Utility Commission on a 7-0 vote.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9A Minority Owned and Women Owned Business Enterprise Procurement Program by meeting the goals with 14.88% MBE and 2.34% WBE participation.
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Additional Backup Information

The contract is for underground transmission and distribution construction and maintenance services for Austin Energy. These services include combinations of capital maintenance improvement, operating and maintenance activities. The contract provides Austin Energy with ready access to contract labor and equipment for the performance of routine and emergency transmission and distribution civil work for which Austin Energy has no in-house resources. The services are primarily for the installation and maintenance of the underground electrical system and may involve trench excavation, drilled pier installations, placement of conduit, cable, manholes, roadway repair, street light repair and installations and right-of-way installations and maintenance.

Continued growth in the Austin Area has contributed to the need to expand infrastructure and resources in order to fulfill electric utility reliability requirements, customer requests, and expansions of Austin Energy service and to support facility growth. This contract is critical to meeting these needs by installing and maintaining underground vaults, conduit, duct banks, transformer pads and other distribution/substation facilities, and updating and improving existing facilities.

The requested authorization represents approximately a 44% increase to the annual authorization of the current contract. This increased authorization request is based on forecasted needs during the term of the contract due to growth in the Austin area and Austin Energy's service territory, the inclusion of materials (i.e., concrete, steel, rock, roadbase, manholes) to be supplied in the contract as well as contingency to be able to react efficiently to emergencies that may arise.

An Austin Energy evaluation team with expertise in this area evaluated the proposals and rated this proposal as the best to provide these services. Evaluation criteria used to evaluate the proposals include solution and program to accomplish the work, demonstrated applicable experience and personnel qualifications, price, and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease and staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations to begin.

The current contract expires on January 27, 2016. Approval is requested in order to ensure an efficient transition to the new contract with no lapse in services.

MBE/WBE solicited: 187/74

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. 2980 notices were sent, including 187 MBEs and 74 WBEs. Three proposals were received, with no response from the MBEs/WBEs. Multiple notices may be sent to the same vendor, e.g. one vendor may have multiple email addresses/fax numbers.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.

- b. The Purchasing Office recommends contract award consistent with the evaluation committee.
- c. Advertised on the Internet.