

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	70408	Agenda Number	31.
Meeting Date:	June 8, 2017			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a 24-month contract with ASPLUNDH TREE EXPERT CO., or one of the other qualified offerors to Request For Proposals TVN0061, to provide energized transmission line clearance services in an amount of \$6,000,000, with three 12-month extension options in an amount of \$2,500,000 per extension option, for a total contract amount not to exceed \$13,500,000.				
Amount and Source of Funding				
Funding in the amount of \$1,000,000 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining 20 months of the original contract period and extension options are contingent upon available funding in future budgets.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) TVN0061 for these services on January 23, 2017 and it closed on February 28, 2017 with three offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is the current provider for these services.			
Prior Council Action:				
For More Information:	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@ austintexas.gov</a>  NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized Contact Person: Terry Nicholson, at 512-322-6586 or <a href="mailto:Terry.Nicholson@ausitnenergy.com">Terry.Nicholson@ ausitnenergy.com</a>			
Boards and Commission	April 17, 2017 - Recommended by the Electric Utility Commission on a 7-0 vote, with Commissioners Reel and Wray absent and two vacancies.			

<b>Action:</b>	
<b>Related Items:</b>	
<b>MBE / WBE:</b>	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program and subcontractor goals were applied to the solicitation. The subcontracting goals were met and the resulting contract will include 4.21% MBE and 1.86% WBE participation.

#### Additional Backup Information

The contract will provide Austin Energy with certified professional transmission line clearance services, including scheduled vegetation management and storm restoration capabilities as required. Line clearance services require specialized equipment and staff with specialized training to work on energized lines. Specific tasks include but will not be limited to tree pruning and removal of various types of vegetation growing around Austin Energy's energized electrical lines, utility easements, and rights-of-way.

The contract also ensures that Austin Energy will continue to meet federal regulations designed to ensure public safety and electric service reliability, and that require clearance between vegetation and transmission lines in the right-of-way be maintained at all times.

The work sites will generally consist of the geographical area encompassing transmission corridors used by Austin Energy, within and outside its service territory, from power generation facilities. Austin Energy is required to maintain over 600 miles of transmission line. By utilizing contractors, Austin Energy has the ability to ramp up and down the workforce to meet its needs based on scheduled maintenance, system expansion, capital improvement projects, storm restoration, and budget constraints.

This contract will replace the existing contract executed in 2012 that expires on May 20, 2017. The requested authorization amount for the new contract includes \$2,500,000 in annual expenditures and a \$1,000,000 contingency for emergencies. The prior contract authorization was \$10,000,000 with an actual expenditure of \$6,387,517 over the life of the contract.

An evaluation team with expertise in this area evaluated the offers and scored Asplundh Tree Expert Co. as the best to provide these services based on technical solutions, demonstrated experience, cost, and local 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 with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

Professional line clearance is necessary to ensure public and worker safety, electric service reliability, and customer satisfaction. Electric lines not kept clear of vegetation could result in electrical accidents, wildfire ignitions, reduced reliability and customer satisfaction, vegetation-caused outages, and large federal fines.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

ASPLUNDH TREE EXPERT CO.				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 6,000,000	n/a	n/a

Extension Option 1	12	\$ 2,500,000	n/a	n/a
Extension Option 2	12	\$ 2,500,000	n/a	n/a
Extension Option 3	12	\$ 2,500,000	n/a	n/a
<b>TOTAL</b>	<b>60</b>	<b>\$ 13,500,000</b>	<b>\$ -</b>	<b>\$ -</b>