

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	70411	Agenda Number	42.
Meeting Date:	June 8, 2017			
Department:	Purchasing			
Subject				
<p>Authorize negotiation and execution of two contracts with ASPLUNDH TREE EXPERT CO. and WRIGHT TREE SERVICE INC., or one of the other qualified offerors to Request For Proposals TVN0062, to provide energized distribution line clearance services, with an initial 24-month term in an amount of \$34,000,000, with three 12-month extension options in an amount of \$12,000,000 per extension option, for a total contract amount not to exceed \$70,000,000, divided between the contractors.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$5,666,666 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.</p>				
Fiscal Note				
<p>A fiscal note is not required.</p>				
Purchasing Language:	<p>The Purchasing Office issued a Request for Proposals (RFP) TVN0062 for these services on January 30, 2017 and it closed on February 28, 2017 with five offers received. The recommended offers are the best evaluated offers submitted by responsible offerors. Additional information on the solicitation is included below the line. The recommended offerors are the current providers for these services.</p>			
Prior Council Action:	<p>█</p>			
For More Information:	<p>Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov</p> <p>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 Terry.Nicholson@austintenergy.com</p>			
Boards and Commission	<p>April 17, 2017 - Recommended by the Electric Utility Commission on a 7-0 vote, with Commissioners Reel and Wray absent and two vacancies.</p>			

Action:	
Related Items:	
MBE / WBE:	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 contracts will include 4.20% MBE and 1.86% WBE participation.

Additional Backup Information

These contracts will provide Austin Energy with certified professional distribution 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 work sites will generally consist of the geographical area encompassing over 11,000 miles of distribution lines in Austin Energy's service territory. By utilizing contractors, Austin Energy is able to ramp up and down the workforce to meet the needs based on seasonal growth fluctuations throughout the year, unexpected needs resulting from storms, and budget constraints.

In Austin, tree limbs are the most common cause of power outages. During windy and stormy weather, swaying and broken tree limbs can rub against and hit or sever power lines which can cause service fluctuations, outages, and fires. Most importantly, trees growing too close to power lines endanger the lives of utility workers and the public. Like most states, Texas adopted the National Electrical Safety Code (NESC), which requires electric utilities to prune tree limbs away from power lines and electrical equipment. Austin Energy follows a pruning program to meet the NESC, avoid potential liability issues, and prevent outages and accidents. Austin Energy's certified arborists and foresters work with contractors to prune trees and keep them clear of power lines on a four to five year rotation.

These contracts will replace the existing contract executed in 2012 that expires on May 20, 2017. The requested authorization amount for the new contract includes \$12,000,000 in annual expenditures and a \$10,000,000 contingency for emergencies. The prior contract authorization was \$80,000,000 with an actual expenditure of \$36,707,121 over the life of the five-year contract.

An evaluation team with expertise in this area evaluated the offers and scored Asplundh Tree Expert Co. and Wright Tree Service Inc. 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 qualified offerors selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offerors, negotiations will cease with the providers. Staff will return to Council so that other qualified offerors 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, and vegetation-caused outages.

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. and WRIGHT TREE SERVICE INC.

	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 34,000,000	n/a	n/a
Extension Option 1	12	\$ 12,000,000	n/a	n/a
Extension Option 2	12	\$ 12,000,000	n/a	n/a
Extension Option 3	12	\$ 12,000,000	n/a	n/a
TOTAL	60	\$ 70,000,000	\$ -	\$ -