



**Purchasing Supply Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 22
AGENDA DATE: Thu 01/27/2005
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SUBJECT: Authorize execution of 12-month service agreements for weatherization services with CLIMATE MECHANICAL, INC., Austin, TX, in an amount not to exceed \$236,133.55, with two 12-month extension options in an amount not to exceed \$236,133.55 per extension option, for a total agreement amount not to exceed \$629,689.47; with MCCULLOUGH HEATING AND AIR CONDITIONING, Austin, TX, in an amount not to exceed \$169,147.38, with two 12-month extension options in an amount not to exceed \$169,147.38 per extension option, for a total agreement amount not to exceed \$451,059.68; and with AIRTECH ENERGY SYSTEM, INC., Austin, TX, in an amount not to exceed \$115,370.40, with two 12-month extension options in an amount not to exceed \$115,370.40 per extension option, for a total agreement not to exceed \$307,654.40.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$347,100.89 is available in Fiscal Year 2004-2005 Approved Operating Budget of Austin Energy Conservation Rebates and Incentives Fund. Funding for the remaining four 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.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Austin Energy; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Sandy Calles, Buyer II, (512) 322-6487

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bids of four bids received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No Subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

These contracts will secure weatherization services for an estimated 530 single family homes, manufactured homes, and duplexes for low-income, elderly or disabled Austin Energy customers. Customer eligibility is determined by the following criteria: (1) 60 years of age or older, (2) handicapped with household incomes not exceeding 80% of median family income, or (3) households with income not exceeding 50% median family income according to current Housing and Urban Development (HUD) guidelines for Austin.

The goal of this program is to reduce energy use and increase the safety and comfort of the home. This contract will provide the contractors with materials for the following energy improvements: insulation in attics, sealing and/or repairing ductwork, caulking of plumbing penetrations, weather stripping doors and installation of solar screens, and performing HVAC check-ups.

Because of the high volume of homes needing this service, Austin Energy recommends contracting with multiple contractors. The first low contractor will receive 50% of the total estimated annual award; the



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second low contractor will receiving 30%, and the third low contractor will receive 20% of the award.

MBE/WBE Solicited: 2/0

MBE/WBE Bid: 0

BID TABULATION

Weatherization Services
IFB No. SL04300008

<u>Vendor</u>	<u>Average Bid Per Home *</u>
Climate Mechanical Austin, Texas	\$891.07
McCullough Heating Austin, Texas	\$1063.82
AirTech Energy System Austin, Texas	\$1088.40
Valdez Remodeling (MBE/FH) Austin, Texas	\$1,222.15

*Dollars shown were for bid evaluation only. A complete bid tabulation is available in the Purchasing Office.

PRICE ANALYSIS

- Adequate competition.
- Four notices were sent including one MBE. Five solicitations were issued including one MBE. Four bids were received, including one MBE. There are no known WBEs for this commodity code.
- Price comparison of the previous contract purchase in October 2003 reflects a decrease of approximately 29% per home serviced.

APPROVAL JUSTIFICATION

- Low bidders.
- Austin Energy concurs with the recommended award.
- Advertised in the Internet.