

A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, August 24, 2006

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Purchasing Office RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 24

Subject: Authorize award, execution, and modification of a 36-month requirements service contract with ASPLUNDH TREE EXPERT CO., Corpus Christi, TX and DAVEY TREE SURGERY CO., Livermore, CA for distribution utility line clearance services in a revised combined and estimated amount not to exceed \$36,000,000, with two 12-month extension options in a revised combined and estimated amount not to exceed \$12,000,000 per extension option, for a total revised combined and estimated contract amount not to exceed \$60,000,000.

Amount and Source of Funding: Funding in the amount of \$1,000,000 is available in the Fiscal Year 2005-2006 Amended Operating Budget of Austin Energy. Funding for the remaining 35 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.

Additional Backup Material

(click to open)

[ASPLUNDH-DAVEY
MBE/WBE SUMMARY
082406](#)

[ASPLUNDH-DAVEY
BID TAB 082406](#)

For More Information: Dolores Castillo, Sr. Buyer/322-6466

Purchasing Language: Two bids received.

MBE/WBE: 24.40% MBE and 3.92% WBE subcontractor participation (Asplundh Tree); & 4.28% MBE and 3.05% WBE subcontractor participation (Davey Tree)

This agreement will provide Austin Energy (AE) with professional distribution line clearance services providing scheduled vegetation maintenance and storm restoration capabilities. Tasks will include but shall not be limited to tree pruning and/or removal of various types of vegetation growing within AE's electrical facilities, utility easements and rights-of-way. These contracts will be awarded to the only two bidders. Initially, the work will be divided equally between the two contractors by zone. One contractor will receive the South Area and other contractor will receive the North Area.

The modification is to decrease the total award for each company and to decrease the combined vendors' contract value to a total that is in line with AE's available budget for this service. This amount is projected to be a \$12 million combined total award for the first year.

This contracting strategy, which utilizes two contractors, maximizes efficiencies and ensures long term cost effectiveness through direct competition. Performance measures combined with benchmarks (goals or not to exceed prices) will be used to assess the overall performance of the two contractors. Yearly performance evaluations will be conducted resulting in an adjustment to the division of the distribution work between the two contractors with the better performing contractor receiving a larger share of the available work for the next year. This will provide the more efficient contractor with a reward for good work, while giving the other contractor an incentive to correct any deficiencies in its future performance. Additionally, it will be advantageous to AE to have two contractors available in the event of heavy storm damage or unusually heavy work load.

MBE/WBE Solicited: 11/2 MBE/WBE Bid: 0/0

PRICE ANALYSIS a. Adequate competition. b. Thirty-two notices were sent including 11 MBEs and two WBEs. Eight solicitations were issued. Two bids were received with no response from MBEs/WBEs. c. The pricing offered represents a 20% increase from the last contract award in May 2001. The higher cost can be attributed to labor and fuel increases.

APPROVAL JUSTIFICATION a. Two bids received. b. The Purchasing Office concurs with Austin Energy's recommended award. c. Advertised on the Internet.

MBE/WBE SUBCONTRACTOR PARTICIPATION

Asplundh Tree Expert Co.

Participation goals stated in the solicitation were 11.84% African American; 9.83% Hispanic; 1.44% Asian American; 0.00% Native American and 4.38 % WBE. Total participation estimated on base bid amount of \$22,181,191.87:

NON – MBE/WBE TOTAL – PRIME	\$15,886,889.78	71.62%
Asplundh Tree Expert Co., Corpus Christi, TX	\$15,886,889.78	71.62%
MBE TOTAL – SUBCONTRACTORS	\$5,411,288.50	24.40%
African American Total - SUBCONTRACTORS	\$2,352,171.07	10.61%
(MB) Alvin Washington Trucking, Austin, TX, (hauling)	\$933,019.84	4.21%
(MB) Silver and Associates, Houston, TX (Laborers)	\$1,419,151.23	6.40%
Hispanic Total - SUBCONTRACTORS	\$1,953,817.44	8.81%
(FH) Austin Nursery & Landscape, Austin, TX, (Tree Trimming)	\$1,953,817.44	8.81%
Asian American Total - SUBCONTRACTORS	\$1,105,300.00	4.98%
(MA) Benqwest, Austin, TX, (Fuel, Ice)	\$1,105,300.00	4.98%
WBE TOTAL – SUBCONTRACTORS	\$870,571.75	3.92%
(FR) Cox Automotive, Austin, TX (General Vehicle Maintenance)	\$870,571.75	3.92%
NON M/WBE TOTAL – SUBCONTRACTORS	\$12,441.84	0.06%
GCR Truck and Tire Center, Pflugerville, TX (DoT Inspections)	\$6,805.84	0.03%
Shreve Truck and Auto, Austin, TX (Tire Repair)	\$3,500.00	0.02%
E & H Sharpening, Elgin, TX (Chipper blade)	\$ 636.00	0.003%
Pro Med, Austin, TX (Emergency Care)	\$1,500.00	0.007%

The Contractor submitted an MBE/WBE Compliance Plan that demonstrated a Good Faith Effort and was approved by the Department of Small and Minority Business Resources.

Davey Tree

Participation goals stated in the solicitation were 11.84% African American; 9.83% Hispanic; 1.44% Asian American; 0.00% Native American and 4.38 % WBE. Total participation estimated on base bid amount of \$28,545,395.12:

NON – MBE/WBE TOTAL – PRIME	\$26,349,395.12	92.31%
Davey Tree Surgery Company, Livermore, CA	\$26,349,395.12	92.31%
MBE TOTAL – SUBCONTRACTORS	\$1,221,000.00	4.28%
African American Total - SUBCONTRACTORS	\$1,146,000.00	4.01%
(MB) Alvin Washington Trucking, Austin, TX, (hauling)	\$60,000.00	0.21%
(MB) Avery's Lawncare, Austin, TX (Tree Trimming)	\$900,000.00	3.15%
(MB) Lynx Systems, Inc., Austin, TX (Laborers)	\$171,000.00	0.60%
(MB) Austex Tree Service, Austin, TX (Tree Trimming)	\$15,000.00	0.05%
Hispanic Total - SUBCONTRACTORS	\$75,000.00	0.26%
(FH) Austin Nursery & Landscape, Austin, TX, (Tree Trimming)	\$15,000.00	0.05%
(MH) Ozuna Trucking, Austin, TX (Hauling)	\$60,000.00	0.21%
Asian American Total - SUBCONTRACTORS	\$0.00	0%
WBE TOTAL – SUBCONTRACTORS	\$870,000.00	3.05%
(FR) Arrow Oil, Austin, TX (Gasoline, Oil)	\$300,000.00	1.05%
(FR) Cox Automotive, Austin, TX (General Vehicle Maintenance)	\$270,000.00	0.95%
(FH) T & S Fleet, Austin, TX (General Vehicle Maintenance)	\$300,000.00	1.05%
NON M/WBE TOTAL – SUBCONTRACTORS	\$105,000.00	0.36%
Vaquero Ice, Austin, TX (Ice)	\$30,000.00	0.10%
Organics by Josh, Austin, TX (Transport Chips)	\$75,000.00	0.26%

The Contractor submitted an MBE/WBE Compliance Plan that demonstrated a Good Faith Effort and was approved by the Department of Small and Minority Business Resources.

AGENDA DATE: 8/10/2006

VENDOR NAME: ASPLUNDH/DAVEY

BID TABULATION

(DC06300005

Distribution Line Clearance, 81 Line items)

<u>Description</u>	<u>Contract Period</u>	<u>Asplundh Tree Corpus Christi, TX</u>	<u>Davey Tree Expert Livermore, CA</u>
Labor, equip, materials, And misc charges			
Years 1-3	36 – month period	\$22,181,191.87*	\$28,545,395.12*
Year 4	12 - month period	\$7,611,373.77*	\$9,764,441.44*
Year 5	12 – month period	\$7,485,077.29*	\$9,650,151.44*

*Bid amounts used only for evaluation purposes.