

## AGENDA



Thursday, December 9, 2010

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 36**

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**Subject:** Authorize award, negotiation, and execution of a 24-month requirements service contract with PIKE ELECTRIC, INC., Mount Airy, NC, or one of the other qualified offerors to RFP No. TVN0013 for Transmission and Distribution electrical services in an estimated amount not to exceed \$10,000,000, with three 12-month extension options in an estimated amount not to exceed \$8,000,000 per extension option, for an estimated total contract amount not to exceed \$34,000,000.

**Amount and Source of Funding:** Funding in the amount of \$181,500 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding in the amount of \$5,940,932 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding for the remaining 15 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Terry Nicholson, Senior Buyer/512-322-6586

**Purchasing Language:** Best evaluated proposal of six proposals received

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) through the achievements of Good Faith Efforts with 4.85% MBE and 1.33% WBE subcontractor participation.

**Boards and Commission Action:** Recommended by the Electric Utility Commission.

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This contract will provide for electrical services including Capital improvements and Operations and Maintenance activities for Austin Energy's (AE) Transmission and Distribution facilities. This contract will assist AE in providing necessary services to recent and future development within the AE coverage area. This service contract provides AE with ready access to contract labor and equipment for the performance of routine and emergency electrical transmission and distribution expansion and maintenance. Services to be provided will primarily consist of service extensions, the removal and replacement of utility poles, storm related outage restoration, and distribution line relocations.

In 2007, approximately \$7.7 million was allocated for 1,987 projects. In 2008, almost \$8 million was spent on 2,303 projects. In 2009, approximately \$7.8 million was spent on 2,019 projects and in 2010, almost \$5.87 million was spent on 1,301 projects in the AE service area. The average cost per project is \$3,905.

An Austin Energy Team with expertise in the contract responsibilities, safety policies, and financial analysis evaluated the bids to determine the best value to the City. Evaluation criteria included demonstrated applicable experience, safety policies and procedures, financial viability, and total evaluated cost.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 34/10

MBE/WBE bid: 0/0

#### PRICE ANALYSIS

- a. Adequate competition.
- b. Three hundred thirty-eight notices were sent, including 34 MBEs and 10 WBEs. Six proposals were received, with no response from the MBE/WBEs.

#### APPROVAL JUSTIFICATION

- a. Best evaluated proposal received. Pike Electric, Inc. is the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.