

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

61063

Agenda Number

62.

Meeting Date:

August 18, 2016

Department:

Purchasing

Subject

Authorize award and execution of two 24-month contracts with DINCA GROUP, LLC to provide flexible base, substation surface rock, and limestone rock. The first contract is for Austin Energy in an amount not to exceed \$1,976,206, with three 12-month extension options in an amount not to exceed \$988,103 per extension option, for a total contract amount not to exceed \$4,940,515; the second contract is for various City departments in an amount not to exceed \$1,393,200, with three 12-month extension options in an amount not to exceed \$696,600 per extension option, for a total contract amount not to exceed \$3,483,000.

Amount and Source of Funding

Funding in the amount of \$82,342 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding in the amount of \$58,050 is available in the Fiscal Year 2015-2016 Operating Budget of various City departments. Funding for the remaining 23 months of the original contract periods 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 an Invitation for Bids (IFB) DNJ0126 for these goods and services on February 8, 2016 and it closed on March 8, 2016 with five offers received. The recommended offer is the lowest offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is not the current provider for these goods and services.

Prior Council Action:

For More Information:

Darralyn N. Johnson, Buyer II, 512-505-7293

Boards and Commission Action:

August 15, 2016- To be reviewed by the Electric Utility Commission.

Related Items:	
MBE / WBE:	This solicitation will be awarded in compliance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program by exceeding the goals with 25% WBE participation.

Additional Backup Information

The contract is for the purchase and delivery of flexible base, substation surface rock, and limestone rock to be used by Austin Energy and additional City departments on an as-needed basis. Flexible base is crushed limestone that is used to create a stable surface area for various projects such as the construction of electrical substation facilities and electrical equipment. Surface rock is crushed stone material used to cover the ground at substations to provide a protective layer between the grounding system below and personnel working above. This layer reduces the amount of electric current that can flow between a person and the ground below, increasing safety for employees and contractors working in and around substations. Limestone rock is used as erosion control in different applications. These applications include construction entrances, construction laydown yards, substation underlay installations, berms and transmission right-of-way roads.

The contract includes pricing for materials to two delivery zones, as well as for pickup of this material at the discretion of the City. The solicitation included pricing for Austin Energy's quantities, those of various City departments and a combined, total quantity. This pricing structure allowed the City to assess the relative benefits of combined requirements versus unbundling them into multiple contracts. In this case, the pricing offered by the lowest offer submitted by a responsible offeror did not change based on whether or not the quantities were combined; therefore, multiple contract awards are recommended to preserve Austin Energy's contractual abilities granted through City Resolution No. 040610-02, specifically, the ability to increase a contract beyond the 25% limit required per Texas Local Government Code Chapter 252.

BID TABULATION

IFB DNJ0126

Flexible Base, Substation Surface Rock and Limestone Rock

[18-line items]

<u>Vendor</u>	<u>Total Bid Amount-12 months</u> (Austin Energy)	<u>Total Bid Amount-12 months</u> (Various City departments)
Dinca Group, LLC Austin, Texas	\$988,102.50	\$696,600
Hard Rock Transportation Austin, Texas	\$1,028,155.00	\$720,531.25
Melendrez Trucking, LLC Austin, Texas	\$1,080,800.00	\$702,062.50
Austin Materials Austin, Texas	*	*
State Wide Materials	*	*

Manor, Texas

*Deemed Non-Responsive – Did not meet the requirements of the solicitation related to the Minority Owned and Women Owned Business Enterprise Procurement Program.

A complete solicitation package, including a bid tabulation, 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](#)

DINCA GROUP, LLC		Austin Energy		
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 1,976,206	n/a	n/a
Extension Option 1	12	\$ 988,103	n/a	n/a
Extension Option 2	12	\$ 988,103	n/a	n/a
Extension Option 3	12	\$ 988,103	n/a	n/a
TOTAL	60	\$ 4,940,515	\$ -	\$ -

DINCA GROUP, LLC		Various City Departments		
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 1,393,200	n/a	n/a
Extension Option 1	12	\$ 696,600	n/a	n/a
Extension Option 2	12	\$ 696,600	n/a	n/a
Extension Option 3	12	\$ 696,600	n/a	n/a
TOTAL	60	\$ 3,483,000	\$ -	\$ -