

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	71228	Agenda Number	33.
Meeting Date:		June 15, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of six contracts with TEXAS ELECTRIC COOPERATIVES, POWER SUPPLY INC., TECHLINE INC., STUART C. IRBY, PRIESTER-MELL & NICHOLSON INC., and KBS ELECTRICAL DISTRIBUTORS, to provide critical electric utility materials and supplies, for a term of 60 months, in an amount not to exceed \$125,000,000, divided among the contractors.					
Amount and Source of Funding					
Funding in the amount of \$416,667 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining 58 months of the original contract period are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued a Request for Qualification Statements (RFQS) GGU0505 for these goods on April 3, 2017 and it closed on April 25, 2017 with seven offers received. The recommended offers are the best offers submitted by responsible offerors. Additional information on the solicitation is included below the line. All of the recommended offerors are the current providers for these goods.				
Prior Council Action:					
For More Information:	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov  NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized Contact Person: Gabriel Guerrero, at, 512-322-6060 or Gabriel.Guerrero@ austinenergy.com				
Boards and Commission Action:	May 15, 2017 – Recommended by the Electric Utility Commission on a 9-0 vote, with two vacancies.				
Related Items:					

**MBE / WBE:**

This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

**Additional Backup Information**

These contracts will provide critical electric utility materials and supplies as required. Several hundred line items, such as single-phase transformers, power cable, copper wire, pole-line hardware and fuses must be purchased monthly. The materials will replenish stock at Austin Energy (AE) warehouses, where they are issued as needed for routine utility maintenance and construction and for emergencies. Deliveries will be made within 24 hours for standard orders and within eight hours for emergency orders. The materials will also be used for equipment repairs during outages as well as emergency repairs.

This request allows for the development of supply contracts with the six recommended contractors who will be required to provide monthly pricing for the contract items. Purchases will be made as needed, based on lowest cost. Amounts spent with each company will vary depending upon availability and pricing.

These contracts will replace seven existing contracts that will expire on July 31, 2017. Over the last two years, the annual spend for the current contracts has been \$24,716,554.

If the City is unable to secure the contracts, AE will be required to make spot purchases for the critical materials and supplies, which may result in delays in electrical services.

A Request for Qualifications Statement (RFQS) was issued with seven responses received. Six companies who submitted qualifications statements are being recommended for award. Qualifications included vendor's stocking, 24-hour availability and delivery, and emergency responsiveness of eight hours. An evaluation team with expertise in this area evaluated the offers and scored all vendors as the best to provide these goods based on pass/fail evaluations.

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](#)