

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	74071	Agenda Number	32.
Meeting Date:		September 28, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a contract with Pike Electric, LLC, or the other qualified offeror to Request For Proposals DNJ0003REBID, to provide electric relay devices and related services, for an initial term of two years with three one-year extension options, for a total contract amount not to exceed \$4,160,000.					
Amount and Source of Funding					
Funding in the amount of \$69,333 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding in the amount of \$868,294 is available in the Fiscal Year 2016-2017 Capital Budget of Austin Energy. Funding for the remaining 23 months of the initial contract term 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 a Request for Proposals (RFP) DNJ0003REBID for these goods and services. The solicitation issued on April 10, 2017 and it closed on April 25, 2017. Of the two offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a response list, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents				
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: Terry V. Nicholson, at 512-322-6586 or Terry.Nicholson@ austinenergy.com				
Boards and Commission Action:	August 14, 2017 - Recommended by the Electric Utility Commission on a 7-0 vote, with Commissioner Wray off the dais, Commissioners Stout and Zell absent and one vacancy.				
Related Items:					

MBE / WBE:

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

Additional Backup Information

The contract will provide electric relay devices and related services for Austin Energy to be purchased on an as-needed basis. Relays are devices that protect high voltage transmission lines, substation equipment and the distribution system from faults in the electric power system. The contractor will provide Austin Energy with additional expertise, labor and equipment necessary to install, maintain and test relays at its substations. Although Austin Energy personnel are capable of providing these services, this contract will be used to supplement those resources when necessary to complete both routine and emergency work associated with the North American Electric Reliability Corporation (NERC) and Electric Reliability Council of Texas (ERCOT) system testing and commissioning guidelines.

An evaluation team with expertise in this area evaluated the offers and scored Pike Electric, LLC as the best vendor to provide these services based on cost, technical solution and program, demonstrated applicable experience and personnel qualifications, and local business presence.

The current contract will expire on October 29, 2017, with a current spend of \$2,505,226 over the past five years. Pike Electric, LLC is one of the current contractors. This contract will replace the current contract and will include additional funding required for capital improvements required by NERC and ERCOT, and add provisions to address the needs of Electric Service Delivery and Power Production operations at Austin Energy.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

Without this contract, Austin Energy will be at risk of fines related to NERC and ERCOT requirements as well as being vulnerable to system failures.

Pike Electric, LLC				
	Contract Term	Contract Amount	Contract Amendment	Revised Amount
Initial Term	2	\$ 1,664,000	n/a	n/a
Extension Option 1	1	\$ 832,000	n/a	n/a
Extension Option 2	1	\$ 832,000	n/a	n/a
Extension Option 3	1	\$ 832,000	n/a	n/a
TOTAL	5	\$ 4,160,000	\$ -	\$ -