



Recommendation for Action

File #: 20-2781, **Agenda Item #:** 43.

9/17/2020

Posting Language

Authorize an amendment to an existing contract with Altec Industries, Inc., to provide customized utility vehicles, for an increase in the amount of \$9,500,000, for a revised total contract amount not to exceed \$30,500,000.

(Note: This amendment 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 contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$1,642,350 is available in the Fiscal Year 2020-2021 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

Prior Council Action:

August 3, 2017 - Council approved the original contract, item 47, on an 11-0 vote.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>> or to Melita Harden, at 512-322-6149-2938 or Melita.Harden@austintexas.gov <<mailto:Melita.Harden@austintexas.gov>>, or to Terry V. Nicholson, at 512-322-6586 or Terry.Nicholson@austintexas.gov <<mailto:Terry.Nicholson@austintexas.gov>>.

Council Committee, Boards and Commission Action:

August 10, 2020 - Recommended by the Electric Utility Commission on an 8-0-1 vote, with Commissioner Hadden abstaining, Commissioner Wray absent and one vacancy.

Additional Backup Information:

The proposed amendment will provide Austin Energy the additional funding required to replace utility vehicles that have either reached their end of life or require repairs in excess of their current market value. The

vehicles being replaced are owned by Austin Energy and therefore were not considered for this contract when originally solicited.

The contract is for the lease and maintenance of customized utility vehicles used by Austin Energy field crews to support infrastructure, maintenance and construction projects at various locations and worksites within the Austin Energy service area. The vehicles include aerial devices mounted on truck chassis, cranes and digger derricks. The vehicles will be delivered in multiple phases based on availability, equipment life and Austin Energy requirements.

Austin Energy performed a cost comparison of leasing versus purchasing these types of utility vehicles and concluded that leasing was the best value to the City. Reduction of downtime and inclusion of maintenance and repairs in the lease agreements yielded significant savings over purchasing the same vehicles.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Current Contract Authorization</u>	<u>Requested Additional Authorization</u>	<u>Revised Total Authorization</u>
Initial Term	5 yrs.	\$21,000,000		\$21,000,000
Proposed Amendment			\$9,500,000	\$ 9,500,000
TOTALS	5 yrs.	\$21,000,000	\$9,500,000	\$30,500,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Government that Works for All.