



Recommendation for Action

File #: 21-2857, **Agenda Item #:** 12.

10/14/2021

Posting Language

Authorize negotiation and execution of a multi-term contract with KV Power, LLC or the other qualified offeror to Request For Proposals 1100 JMF3008, for overhead transmission electrical maintenance, for up to five years for a total contract amount not to exceed \$40,000,000.

(Note: 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 services required for this solicitation, 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 \$58,333 is available in the Fiscal Year 2020-2021 Operating Budget of Austin Energy. Funding in the amount of \$1,275,000 is available in the Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued a Request for Proposals (RFP) 1100 JMF3008 for these services. The solicitation was issued on January 25, 2021, and it closed on February 25, 2021. Of the five offers received, the recommended contractor submitted the best evaluated, responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=134597)
<https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=134597>.

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>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Persons: Julia Finn, at 512-322-6060 or Julia.Finn@austintexas.gov <<mailto:Julia.Finn@austintexas.gov>> or Sandy Brandt, at 512-974-2870 or Sandy.Brandt@austintexas.gov <<mailto:Sandy.Brandt@austintexas.gov>>.

Council Committee, Boards and Commission Action:

September 13, 2021- The Electric Utility Commission was cancelled due to lack of quorum.

Additional Backup Information:

The contract will provide transmission electrical maintenance services for Austin Energy. The contract supplements Austin Energy's normal work by providing ready access to contract labor and equipment for the performance of routine and emergency transmission work. The services are primarily for service extensions and storm related outage restoration.

Continued growth in Austin has contributed to the need to expand and upgrade electric infrastructure and acquire the services to fulfill customer projects and meet electric utility reliability requirements. This contract is critical to serving load growth and ensuring the reliability of the electrical system. Projects include digging pole holes, hauling and setting poles, making contacts on energized conductors, installing guy anchors, and pulling and replacing rotten poles.

An evaluation team with expertise in this area evaluated the offers and scored KV Power, LLC as the best to provide these services based on demonstrated applicable experience and personnel qualifications, program and safety, price, local preference, and service-disabled veteran business enterprise.

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.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	2 yrs.	\$16,000,000
Optional Extension 1	1 yr.	\$ 8,000,000
Optional Extension 2	1 yr.	\$ 8,000,000
Optional Extension 3	1 yr.	\$ 8,000,000
TOTAL	5 yrs.	\$40,000,000

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

Strategic Outcome(s):

Government that Works for All.