

SUBJECT: Authorize award and execution of a 12-month requirement service agreement with **YOUR FLYERS DELIVERED**, Austin, TX, for the distribution of door hanging advertisements for Austin Energy's Power Saver™ Programs in an estimated amount not to exceed \$29,850, with three 12-month extension options in an estimated amount not to exceed \$29,980, for a total estimated contract amount not to exceed \$119,400.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$4,975 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining ten months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

PURCHASING: Lowest bid of four bids received.

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on July 18, 2011.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

FOR MORE INFORMATION CONTACT: Terry V. Nicholson, Senior Buyer/512-322-6586

This service agreement is for door-to-door distribution of door hanger sleeves and advertising material to promote Austin Energy's suite of Power Saver™ Programs to residential customers. Approximately 15,000 pieces of literature, printed on recycled-content paper, will be distributed door-to-door on a monthly basis. As many as 180,000 customers could receive literature as part of this program. The number of marketing pieces delivered to a residence is driven by program goals and may vary from month to month.

Austin Energy plans to use the contract to promote the following energy-saving programs:

- Refrigerator/Freezer Recycling – pick up and recycling of old, inefficient refrigerators and freezers, and a \$50 incentive.
- Free Thermostats – free programmable thermostats, including free installation and warranty, as well as water heater timers.
- Free Home Improvements: free weatherization services such as attic insulation, duct repair, and weather stripping to qualifying elderly and low-income families.
- Solar rebates for the installation of residential solar energy systems.
- Home Performance with Energy Star®: rebates for home improvements such as air conditioners, duct repair, attic insulation, solar screens, and radiant barriers to assist customers in reducing their electric consumption.

Door hanger marketing has proven an affective tool in informing customers about energy efficiency rebates and programs while fulfilling Austin Energy's goals of promoting the wise use of energy resources and reducing the demand for electric generation capacity.

MBE/WBE solicited: 6/4

MBE/WBE bid: 0/0

BID TABULATION

IFB TVN0065

Door Hanger Delivery Service

(3-line Items)

<u>VENDOR</u>	<u>Total Bid</u>
Your Flyers Delivered Austin, TX	\$29,850

Business & Personal Solutions Austin, TX	\$61,000
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Austin Courier Austin, TX	\$130,020
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Atwoods Delivery Service Austin, TX	\$225,000
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A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- Adequate competition.
- Fifty-seven notices were sent, including six MBEs and four WBEs. Three bids were received, with no response from the MBE/WBEs.
- The pricing offered represents a decrease of 51% per piece delivered due largely to research from the Buyer in identifying additional suppliers thus increasing competition.

APPROVAL JUSTIFICATION

- Lowest bid received. Your Flyers Delivered is not the current provider of this service.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.