

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	15636	Agenda Number	70.
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Meeting Date:	May 24, 2012
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Department:	Purchasing
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Subject

Authorize award, negotiation, and execution of a requirements supply agreement with ALTEC INDUSTRIES, INC. for Phase I for the 60-month lease of truck-mounted aerial devices and digger derricks for Austin Energy in an estimated amount not to exceed \$4,253,490, with the option to enter into 60-month agreements for equipment leased in Phases II and III in an estimated amount not to exceed \$3,310,455 and \$3,169,785 respectively, for a total estimated contract amount not to exceed \$10,733,730.

Amount and Source of Funding

Funding in the amount of \$850,698 is available in the Fiscal year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining months of the contract, including additional phases, is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best evaluated proposal received.
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Prior Council Action:	
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For More Information:	Gabriel Guerrero, Buyer II /322-6060
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Boards and Commission Action:	To be reviewed by the Electric Utility Commission on May 21, 2012.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9D 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.
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Additional Backup Information

This contract will provide Austin Energy (AE) with a 60-month lease of the following required equipment: one 100 ft. aerial device in the initial order (Phase I); one 55 ft. material handler aerial device with elevator; one 50 ft. material handler aerial device; twelve 36 ft. material handler aerial devices; one 45 ft. sheave height digger derrick; one 2-ton underground service body; one 35 ft. aerial man lift, and one knuckle boom crane.

This equipment is required for the construction and maintenance of AE's transmission and distribution system. The equipment will replace items that have exceeded their useful lifespan and have become excessively expensive to maintain, and equipment currently leased under an expiring contract.

This equipment will be ordered, delivered, and put into service in three phases based on budget availability, equipment life, AE requirements, and the results of a lease-versus-buy analysis. This equipment is custom made resulting in a lead time of eight to ten months from the time the order is placed. The contract will be for a term of 60 months from the receipt of each piece of equipment.

To drastically reduce equipment down time, the contract includes all regular maintenance as well as loaner equipment should leased equipment be unavailable for more than a week. The contract authorization includes additional funding for any non-warranty repairs such as broken mirrors, windshields, lights, brackets and covers. At the end of the contract, the equipment will be returned to the vendor.

The aerial devices included in this contract are mounted on truck chassis equipped with diesel-powered engines capable of operating on B-20 Biodiesel.

A City of Austin team with expertise in this area evaluated the proposals and unanimously chose this proposal as the best to provide these goods. Evaluation criteria evaluated included lease term, conformance to technical specifications, maintenance program, delivery schedule, and total evaluated cost.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PROPOSAL ANALYSIS

- a. Adequate competition.
- b. Forty-nine notices were sent. There are no known MBE/WBEs available for this commodity code. Two proposals were received.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received. Altec Industries Inc. is the current provider of these goods.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.