

SUBJECT: Authorize award and execution of a 12-month requirements service agreement with **RADIO FLYERS** for the distribution of door hanger delivery services for Austin Energy's Power Saver Programs™ in an estimated amount not to exceed \$66,700, with three 12-month extension options in an estimated amount not to exceed \$66,700 per extension option, for an total estimated contract amount not to exceed \$266,800.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$11,117 is available in the Fiscal Year 2011-2012 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.

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

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on July 16, 2012.

PURCHASING: Lowest bid meeting specifications of five bids received.

MBE/WBE

This contract will be 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.

The door hanger delivery services will include 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.

BID TABULATION

IFB TVN0079
Door Hanger Delivery Services

<u>VENDOR</u>	<u>TOTAL BID</u>
Radio Flyers Austin, TX	\$66,700
Business & Personal Solutions (WBE) Austin, TX	\$70,000
Odum Group LLC Austin, TX	\$151,900
Forever Green Austin, TX	\$284,100
Ace Bookkeeping Austin, TX	*

* Non-responsive, did not meet minimum experience requirements

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.
- Sixty six notices were sent including five MBEs and two WBEs. Five bids were received including one WBE, with no response from the MBEs.
- The pricing offered represents a 14% increase to the last contract awarded in June of 2009. This increase is due to more stringent uniform and security requirements.

APPROVAL JUSTIFICATION

- Lowest responsive bid. Radio Flyers is not the current provider of these services.
- The Purchasing Office concurs with the Austin Energy's recommended award.
- Advertised on the Internet.