

**AGENDA**



**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	32097	Agenda Number	33.
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Meeting Date:	May 1, 2014
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Department:	Purchasing
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Subject

Authorize award and execution of a 24-month requirements supply contract with ENGINEERED ENDEAVORS for the purchase of substation structural steel for Austin Energy in an amount not to exceed \$1,950,030, with three 12-month extension options in an amount not to exceed \$975,015 per extension option, for a total contract amount not to exceed \$4,875,075.

Amount and Source of Funding

Funding in the amount of \$406,256 is available in the Fiscal Year 2013-2014 Operating Budget of Austin Energy. Funding for the remaining 19 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 Language:	Lowest bid received.
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Prior Council Action:	
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For More Information:	Gage Loots, Supervising Senior Buyer, 512-322-6251
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Boards and Commission Action:	April 21, 2014 - Approved by the Electric Utility Commission on a 7-0 vote.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9D (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 with Engineered Endeavors will provide Austin Energy with various types of galvanized steel structures for use at substations. These structures are used in the modification and construction of electric substations. They provide support for insulators which support high voltage bus work, disconnect switches, lightning masts and transmission line terminations. These structures are an essential part of ensuring that electricity flows through the system reliably, safely and economically.

The recommended award is based on the overall lowest bid for all line items in the solicitation. Award to a single firm is necessary to maintain consistency of components within an overall structure assembly and is preferred for efficiency of structure design. This contract includes all structures and associated components currently required by Austin Energy. A new feature of this contract is a pre-determined "per pound" pricing methodology for the purchase of additional structures that may become necessary during the life of the contract.

MBE/WBE solicited: 20/14

MBE/WBE bid: 0/0

**BID TABULATION**

IFB No. GAL0051  
 Substation Structural Steel  
 (118 – line items)

<u>Vendor</u>	<u>Number of Line Items Bid</u>	<u>Bid Amount □ 12 months</u>
Engineered Endeavors Newbury, OH	118	\$975,014.17
Klute, Inc. York, NE	118	\$1,097,581.14
V&S Schuler Tubular Products, LLC. Muskogee, OK	110	\$861,846.49
DIS-TRAN Steel, LLC. Pineville, LA	70	\$869,964.05
Trinity Industries San Nicolás de los Garza, Nuevo León, Mexico	69	\$534,887.86
Valmont Newark, Inc. Tulsa, OK	118	*

\* Non-responsive due to exceptions to the City's commercial terms and conditions.

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Three hundred twenty-six notices were sent, including 20 MBEs and 14 WBEs. Six bids were received, with no response from the MBE/WBE.
- c. The pricing offered represents an average decrease of 3.5% to the last contract award made November 2008.

**APPROVAL JUSTIFICATION**

- a. Lowest bid. Engineered Endeavors is the current provider of these goods.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.