

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	72843	Agenda Number	33.
Meeting Date:		August 3, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a 24-month contract with PIKE ELECTRIC LLC, to provide substation repair and maintenance, in an estimated amount of \$1,200,000, with three 12-month extension options in an estimated amount of \$600,000 per extension option, for a total contract amount not to exceed \$3,000,000.					
Amount and Source of Funding					
Funding in the amount of \$16,667 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding in the amount of \$400,000 is available in the Fiscal Year 2016-2017 Capital Budget of Austin Energy. Funding for the remaining 23 months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) CAK0017 for these services on April 17, 2017 and it closed on May 18, 2017 with one offer received. The recommended offeror is the sole offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is the current provider for these services.				
Prior Council Action:					
For More Information:	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized Contact Person: Cheryl A. Kaufman, at 512-505-3545 or Cheryl.Kaufman@ austinenergy.com				
Boards and Commission Action:	July 17, 2017- The Electric Utility Commission meeting was cancelled due to lack of quorum.				
Related Items:					

MBE / WBE:

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 available MBE /WBE firms; therefore, no subcontracting goals were established.

Additional Backup Information

The contract will provide substation services to supplement Austin Energy personnel as required. The contractor will provide the expertise, labor, and equipment necessary to install and maintain Austin Energy substations. These services include the assembly of connection (bus) structures and hardware, installation of equipment such as circuit breakers, transformers and capacitor banks, and various other activities required to maintain and improve substations.

This contract will replace the current contract which expires on September 16, 2017 with a total spend of \$862,000 over the past five years. The contract authorization requested includes substation maintenance, funding to bring Austin Energy into compliance with new North American Electric Reliability Corporation (NERC) regulations, and contingency funding for emergencies. Additionally, Austin Energy has approximately \$400,000 in planned annual capital improvement project (CIP) upgrades.

An evaluation team with expertise in this area evaluated the offer and scored Pike Electric Inc. as the best to provide these services based on technical solution and program, cost, experience and qualifications, personnel and safety records, and local business presence.

Without Council authorization to execute this contract, Austin Energy will not be able to complete scheduled CIP upgrades and risk fines related to the new NERC requirements.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

PIKE ELECTRIC LLC				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 1,200,000	n/a	n/a
Extension Option 1	12	\$ 600,000	n/a	n/a
Extension Option 2	12	\$ 600,000	n/a	n/a
Extension Option 3	12	\$ 600,000	n/a	n/a
TOTAL	60	\$ 3,000,000	\$ -	\$ -