



## Recommendation for Action

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**File #:** 22-3021, **Agenda Item #:** 22.

9/29/2022

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**Posting Language:**

Authorize negotiation and execution of a multi-term contract with Altec Inc. to provide customized utility vehicles for up to 10 years for a total contract amount not to exceed \$65,520,903.

(Note: This contract is exempt from the City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

**Lead Department:**

Financial Services Department.

**Client Department(s):**

Austin Energy.

**Fiscal Note:**

There is no fiscal impact. Funding for the remaining contract term is contingent upon available funding in future budgets.

**Purchasing Language:**

Critical Business Need.

**For More Information:**

Inquiries should be directed to Melita Harden, at 512-322-6149 or [Melita.Harden@austintexas.gov](mailto:Melita.Harden@austintexas.gov) [<mailto:Melita.Harden@austintexas.gov>](mailto:Melita.Harden@austintexas.gov).

**Council Committee, Boards and Commission Action:**

September 12, 2022 - Recommended by the Electric Utility Commission on a 9-0 vote with two vacancies.

**Additional Backup Information:**

The contract will provide the lease and maintenance of customized utility vehicles equipped with aerial mounted devices used by Austin Energy field crews to support infrastructure, maintenance, and construction projects at various worksites within the Austin Energy service area.

The contractor will deliver the vehicles in multiple phases, and Austin Energy will order each phase and put vehicles into service based on budget availability, equipment life, and department needs. Lead times for these custom-made vehicles are currently at unprecedented levels with delivery at 24 to 36 months after orders are placed. Austin Energy declared a Critical Business Need due to the expanded manufacturing times for vehicle delivery within lease replacement schedules. The optional extensions are needed without funding to ensure that all vehicles received through this contract will be in service for five years. Due to current production challenges, it is possible Austin Energy would not receive the vehicles on time and would require the additional extension options to complete the five years in service. This contract will enable the ordering of vehicles that will be delivered in 2024.

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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. At the end of the contract, the equipment will be returned to the contractor.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Contract Authorization</u></b>
Initial Term	8 yrs.	\$ 65,520,903
Optional Extension 1	1 yr.	\$ -
Optional Extension 2	1 yr.	\$ -
<b>TOTAL</b>	<b>10 yrs.</b>	<b>\$ 65,520,903</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.

**Strategic Outcome(s):**

Government that Works for All.