

## AGENDA



Thursday, June 21, 2007

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 77

**Subject:** Authorize negotiation, execution, and award of a contract with CORMETECH, INC, Durham, NC, for the testing, purchase, and installation of catalyst at Sand Hill Energy Center for simple cycle gas turbines in an amount not to exceed \$2,178,000.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2006-2007 Capital Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Martha L. Gaines, Buyer II, 322-6583

**Purchasing Language:** Best evaluated proposal of two proposals 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.

Catalyst is used in the Selective Catalytic Reduction (SCR) system. An SCR system is installed for each simple cycle gas turbine unit to reduce the NOx levels in the exhaust gas leaving the stack to below the emission levels mandated by the Texas Commission on Environmental Quality and the Environmental Protection Agency.

Under this contract, the vendor will perform testing at Austin Energy's Sand Hill Energy Center (SHEC) to determine the optimum operating conditions for the new catalyst. This testing will also identify the source of previous catalyst degradation.

The vendor will also provide and install replacement catalyst at SHEC.

MBE/WBEs Solicited: 6/0

MBE/WBEs Responded: 0/0

**PROPOSAL ANALYSIS**

- a. Adequate competition.
- b. Seven notices were sent, including six MBEs. There are no known WBEs available for this commodity code. Two proposals were received, with no response from the MBEs.
- c. The original catalyst was part of the construction of the new power plant. That catalyst was replaced at no cost under the original warranty. This is the first purchase for catalyst; therefore, no purchase history is available. This is also the first testing on the performance of the catalyst.

**APPROVAL JUSTIFICATION**

- a. Best evaluated proposal received.
- b. The Purchasing office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.