

AGENDA



Thursday, September 27, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 33

Subject: Authorize award and execution of two 24-month requirements supply contracts with SIEMENS POWER TRANSMISSION & DISTRIBUTION c/o FAPCO, New Braunfels, TX for the purchase of 145kV-63kA circuit breakers in an estimated amount not to exceed \$1,718,080, with two 12-month extension options in an estimated amount not to exceed \$859,040 per extension option for a total estimated contract amount not to exceed \$3,436,160, and with AREVA TRANSMISSION & DISTRIBUTION, Charleroi, PA to purchase 145kV- 40kA circuit breakers in an estimated amount not to exceed \$1,063,000, with two 12-month extension options in an estimated amount not to exceed \$531,500 per extension option, for a total estimated contract amount not to exceed \$2,126,000.

Amount and Source of Funding: Funding in the amount of \$1,390,540 is available in the Fiscal Year 2007-2008 Capital Budget of the Austin Energy Department. Funding for the remaining 12 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

For More Information: Dolores Castillo, Sr. Buyer /322-6466

Purchasing Language: Lowest bids meeting specifications of seven bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D 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.

This contract will establish two 24- month supply agreements for the purchase of two sizes of 145 kV power circuit breakers. Circuit breakers are devices that can be opened to de-energize the transmission line or substation bus for construction, maintenance, or fault conditions. These devices are opened during fault conditions in order to limit damage due to high current to the substation equipment. These circuit breakers will be used throughout various substations as new or upgrade installations.

MBE/WBE Solicited: 1/1

MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Sixty-one notices were sent, including one MBE and one WBE. Seven bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 26% increase to the last contract award in November 2003. This increase is due to higher costs of steel, labor, and transportation.

APPROVAL JUSTIFICATION

- a. Lowest bids meeting specifications.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.