

AGENDA



Thursday, October 11, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 31**

Subject: Authorize award and execution of a contract with GE ENERGY, INC., dba GE PACKAGED POWER, INC., Houston, TX, for the purchase of two turbine generators for the Sand Hill Energy Center in an amount not to exceed \$34,538,000.

Amount and Source of Funding: Funding is available in the Fiscal Year 2007-2008 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 three proposals 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 is for the purchase of two new LM-6000 combustion turbine generators (CTGs) to be located at the Sand Hill Energy Center. The CTGs will be used to replace a portion of Austin Energy's generation capacity that was removed from service with the retirement of the Holly Street Power Station. The natural gas fueled turbines will produce approximately 90 megawatts of electricity with the majority of use during peak electrical demands.

MBE/WBE solicited: 0/0 MBE/WBE responded: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-six notices were sent. There are no known MBE/WBEs available for this commodity. Three proposals were received.
- c. This is the first purchase LM-6000 combustion turbine generators; therefore, no price history is available.

APPROVAL JUSTIFICATION

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