

AGENDA



Thursday, November 29, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 30

Subject: Authorize award and execution of a contract with MORPAC INDUSTRIES, INC., Tucson, AZ for air switches in an amount not to exceed \$114,400.

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: Gabriel Guerrero, Buyer II/322-6060

Purchasing Language: Lowest bid meeting specifications of six 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 is for the purchase of three 138kV, 3000A, centerbreak, V-Type, outdoor, group operated air switches and eight 138kV, 3000A, centerbreak, outdoor, and group operated air switches.

Air switches are devices that are used to sectionalize power within a substation. They can be manipulated to redistribute power in order to service equipment within the substation such as transformers and circuit breakers. They are also used as a secondary safety precaution by providing an additional physical disconnect from hot lines. These air switches will be installed at Burleson and Cardinal Lane substations.

MBE/WBE Solicited: 1/2 MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Fifty notices were sent, including one MBE and two WBEs. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 14% increase to the last contract award in November 2006. The increase is due to higher prices of raw materials, packaging, and transportation costs.

APPROVAL JUSTIFICATION

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