

AGENDA



Thursday, January 10, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 34

Subject: Authorize award and execution of a contract with DREHER & ASSOCIATES, Austin, TX, for the repair of the cooling tower at the Sand Hill Energy Center in an amount not to exceed \$65,788.

Amount and Source of Funding: Funding is available in the Fiscal Year 2007-2008 Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

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

Purchasing Language: Sole bid 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.

This contract is to provide all labor and materials to repair the cooling tower fill supports, reassemble distribution heads, repair nozzles, and replace damaged fill cells. The cooling tower has been damaged since late last spring and has been running with a degradation in cooling performance. The Cooling Towers for the Sand Hill Energy Center Unit 5 are part of a system that provides cooling water for the Steam Turbine Condenser and to provide cooling water to other machinery (i.e. lubricating oil coolers, generator hydrogen coolers etc.). The cooling towers have "fill" that disperses the water which help the air to efficiently cool the water. The water must be cooled during warm weather in order to achieve proper generation output and unit efficiency. MBE/WBE solicited: 1/1 MBE/WBE responded: 0/0

PRICE ANALYSIS

- a. Sole bid. There was one other known provider that elected not to participate in the solicitation.
- b. Forty-two notices were sent, including one MBE and one WBE. One bid was received, with no response from the MBE/WBE.
- c. This is the first repair of the Combined Cycle cooling tower; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- a. The Purchasing office concurs with Austin Energy's recommended award.
- b. Advertised on the Internet.