

AGENDA



Thursday, March 6, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 19

Subject: Authorize award and execution of a 24-month requirements supply contract with KBS ELECTRICAL DISTRIBUTORS, INC., Austin, TX for fault indicators and fiber optic leads in an estimated amount not to exceed \$696,500, with two 12-month extension options in an estimated amount not to exceed \$348,250 per extension option, for a total estimated contract amount not to exceed \$1,393,000.

Amount and Source of Funding: Funding in the amount of \$203,146 is available in the Fiscal Year 2007-2008 Operating Budget of Austin Energy. Funding for the remaining 17 months of the original contract period and extension options is contingent upon available funding in future budgets.

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

For More Information: Gabriel Guerrero, Buyer II/322-6060

Purchasing Language: Sole bid 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 provide for the supply of fault indicators and fiber optic leads. These fault indicators and fiber optic leads will be used to replenish stock at Austin Energy's Kramer and St. Elmo warehouses for immediate issue to crews on an as needed basis.

These items are used when a failure (fault) occurs on an underground electric circuit. Fault indicators installed above ground at strategic points in the system will aid in identifying the trouble locations. The fault indicators are equipped with a small LED (light-emitting diode) light that blinks, indicating a fault current passed through the cable. This method of locating underground electric failures is much faster than searching for the failure by opening manholes and transformers. This helps trouble-shooting personnel restore service much faster.

MBE/WBE Solicited: 10/4 MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Sole bid. KBS is an authorized distributor for Power Delivery Products, who is the manufacturer of these fault indicators and fiber optic leads. In previous solicitations, attempts were made to get competition from other manufacturers who could possibly provide an equal product to the Power Delivery components. KBS has been the only bidder since 2004.
- b. One hundred fifty-seven notices were sent, including 10 MBEs and four WBEs. One bid was received, with no response from the MBE/WBEs.
- c. The pricing offered represents an 8.25% increase to the last contract award in December 2004.

APPROVAL JUSTIFICATION

- a. Sole bid received. KBS is the current provider of these materials.

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