

AGENDA



Thursday, May 22, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 19

Subject: Authorize award and execution of three 12-month requirements supply contracts for various sizes and types of automated electric meters and accessories with TEXAS METER & DEVICE COMPANY, Waco, TX, in an estimated amount not to exceed \$6,869,132, with three 12-month extension options in an estimated amount not to exceed \$6,869,131.68 per extension option, for a total estimated contract amount not to exceed \$27,476,528; POWER SUPPLY, INC., Austin, TX in an estimated amount not to exceed \$3,531,571, with three 12-month extension options in an estimated amount not to exceed \$3,531,571 per extension option, for a total estimated contract amount not to exceed \$14,126,284; and, EKSTROM INDUSTRIES, Farmington Hills, MI in an estimated amount not to exceed \$582,340, with three 12-month extension options in an estimated amount not to exceed \$582,3340 per extension option, for a total estimated contract amount not to exceed \$2,329,360.

Amount and Source of Funding: Funding in the amount of \$10,983,043 is available in the Fiscal Year 2007-2008 Capital Budget of Austin Energy. The funding for the 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 bidders 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.

These contracts will establish 12-month supply agreements for 21 types and sizes of automated electric meters and eight types of adapters and rings to be purchased on an as needed basis.

Austin Energy (AE) is converting standard electric meters to automated meters that will be read by the Utilinet two-way radio technology owned by Cellnet+Hunt. The radio network can read the automated meters (AMR) every 15 minutes providing AE with customer consumption information in 15 minute increments continuously as opposed to a monthly read. The consumption data files will be made available to AE's utility billing system, eliminating the need for the meter to be read manually by a meter reader. The meter is the device used to measure the customer's electric usage. The adapters and rings house the electric meter and provide connectivity for the customer's electric service wires.

MBE/WBE solicited: 2/0 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Sixty notices were sent, with two MBEs. There are no known WBEs available for this commodity. Six bids were received, with no response from the MBEs.
- c. The pricing offered reflects an 11% decrease from the last purchase made in April 2008. This is due to the much larger quantities and volume discount available under this supply contract.

APPROVAL JUSTIFICATION

- a. Lowest bids received.
- b. The Purchasing Office concurs with AE's recommended award.
- c. Advertised on the Internet.