

AGENDA



Thursday, August 28, 2008

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

Subject: Authorize award and execution of a contract with PETRO-VALVE, INC., Houston, TX for the purchase of a main steam stop valve for Decker Creek Power Station Unit 1 boiler in an amount not to exceed \$262,060.

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: Shawn Harris, Buyer II, 505-7351.

Purchasing Language: Lowest bid meeting specifications of three 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 a replacement main steam stop valve for Austin Energy's Decker Creek Power Station, Unit 1. The main steam stop valve is the primary and critical isolation device for the high pressure, superheated steam from the Unit 1 boiler. This valve has an internal crack in the valve body and has a history of inadequate steam isolation.

Decker Unit 1 has a combustion engineering boiler that produces main steam at 2,050 psig at 1005 degrees Fahrenheit. The boiler is capable of producing over 3,050,000 lbs of steam per hour. Failure to replace this valve could result in significant damage to vital plant equipment at Decker.

MBE/WBE Solicited: 1/1

MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-two notices were sent, including one MBE and one WBE. Three bids were received, with no response from the MBE/WBE.
- c. This is the first purchase of its type since the existing valve was installed during the original construction in 1968; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

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