

AGENDA



Thursday, October 23, 2008

Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION
Item No. 31

Subject: Authorize award and execution of a contract with SOUTHWEST ELECTRIC COMPANY, Oklahoma City, OK for the transport, disassembly and inspection, and repair of a Delta Star Power Transformer in an amount not to exceed \$671,250.

Amount and Source of Funding: Funding is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

For More Information: Terry Nicholson, Senior Buyer/512-322-6586

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.

The contract is for the transport, disassembly and inspection, and repair of a 138kV transformer that was damaged in a fire at the Angus Valley substation. The contractor will disassemble and inspect the transformer to determine the viability of a potential rebuild and replacement of the On-Load Tap Changer (OLTC). The rebuild options available include either a minimum repair or total remanufacture depending on the damage incurred. The replacement of the (OLTC) is required in either case to bring the transformer up to Austin Energy specification. The alternative to this action is to replace the transformer at a cost in excess of one million dollars with a current lead-time of eighteen months.

After inspection is complete, Austin Energy will select the option required to complete the repair. No fees will be paid for any option not selected. Costs include:

Teardown & Inspection (required): \$69,970

OLTC replacement (required): \$105,040

Minimum Repair (option 1): \$86,335

Total Remanufacture (option 2): \$496,240

MBE/WBE solicited: 3/2

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Sole bid. There are only three known suppliers capable of handling the requirements of this solicitation. ABB (Power Supply) declined to bid due to the type (disc) of transformer and Brandon & Clark stated the Impulse Testing requirement was outside of its capability.
- b. Eighty-four notices were sent, including three MBEs and two WBEs. One bid was received, with no response from the MBE/WBEs.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

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