

AGENDA



Thursday, November 6, 2008

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

Subject: Authorize award, negotiation, and execution of a contract with HPI, LLC., Houston, TX for an upgrade of the gas turbine controls at the Decker Creek Power Station in an amount not to exceed \$1,597,769.

Amount and Source of Funding: Funding in the amount of \$1,597,769 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

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

Purchasing Language: Best evaluated proposal of four proposals 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.

The contract is needed to upgrade the controls and control wiring for the four Pratt & Whitney FT4C-1 Twin Pac gas turbine generators operating at the Decker Creek Power Station.

The wiring and controls on the turbines are 40 years old and have been degrading over time leaving portions of the controls obsolete and difficult to maintain. This upgrade is necessary to sustain the reliability and availability of these units, which also serve as Austin Energy's only "Blackstart Units". A "Blackstart Unit" is an electricity generating unit which can be started without an outside electrical supply so in the case of a total power grid failure, the unit could still be started and used to start generators at all other Austin Energy Facilities.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

RFP No. MLG0019

Price Analysis

- a. Adequate competition.
- b. Sixty-five notices were sent. There are no known MBE/WBEs available for this commodity. Four proposals were received.

APPROVAL JUSTIFICATION

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