

AGENDA



Thursday, February 12, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 17**

Subject: Authorize award and execution of three 12-month requirements supply contracts for the purchase of 138kV center break airswitches with ROYAL SWITCHGEAR, Richmond, TX in an estimated amount not to exceed \$169,875, with three 12-month extension options in an estimated amount not to exceed \$169,875 per extension option, for a total estimated contract amount not to exceed \$679,500; SOUTHERN STATES, INC., Hampton, GA in an estimated amount not to exceed \$220,550, with three 12-month extension options in an estimated amount not to exceed \$220,550 per extension option, for a total estimated contract amount not to exceed \$882,200; and, TECHLINE, Austin, TX in an estimated amount not to exceed \$392,100, with three 12-month extension options in an amount not to exceed \$392,100 per extension option, for a total estimated contract amount not to exceed \$1,568,400.

Amount and Source of Funding: Funding in the amount of \$146,915 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy. Funding in the amount of \$377,782 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy. Funding for the remaining four months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is attached.

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

Purchasing Language: Lowest bids meeting specification 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 three contracts will establish 12-month supply agreements for 138 kV, center break airswitches to be provided on an as needed basis.

Airswitches are devices that are used to separate power within a substation allowing Austin Energy (AE) to isolate and redistribute power in order to service equipment such as transformers and circuit breakers. Airswitches are also used as a secondary safety precaution for field personnel providing an additional physical disconnect from electrical lines.

MBE/WBE solicited: 2/2

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Ninety-nine notices were sent including two MBEs and two WBEs. Six bids were received with no response from the MBEs and WBEs.
- c. The pricing offered represents a 17% decrease from the last purchase made in January 2008. The solicitation process for the last contract award resulted in two bids being submitted. The lowest bidder did not meet the minimum requirements of the specification. The City awarded to the high bidder which was the only other bid submitted.

APPROVAL JUSTIFICATION

- a. Lowest bids received meeting specification. The recommended awardees are not the current supplier of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.