

## AGENDA



Thursday, April 23, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 40**

**Subject:** Authorize award and execution of a 12-month requirements supply contract with POWER SUPPLY, INC., Austin, TX for the purchase of motorized remote operated airswitches for Austin Energy in an estimated amount not to exceed \$1,135,500, with two 12-month extension options in an estimated amount not to exceed \$1,135,500 per extension option, for a total estimated contract amount not to exceed \$3,406,500.

**Amount and Source of Funding:** Funding in the amount of \$1,135,500 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy. Funding for the 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 bid meeting specification of seven 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.

**Boards and Commission Action:** Recommended by the Electric Utility Commission

This contract is for the supply of motorized remote operated air switches required for an Austin Energy (AE) distribution automation pilot project. This pilot will provide field experience with the self-healing grid concept which is an integral part of a distribution based smart grid. The air switches will be located on distribution poles to configure and isolate different electrical distribution feeder circuits. The benefits of installing the air switches include a significant reduction in outage times for AE customers due to the ability to operate the switches directly from the AE Control Center. The switches will have the ability to intelligently reconfigure and sectionalize feeders during an outage which will shorten the outage times. This capability will reduce travel and feeder patrol time to isolate distribution feeder outages. Information from the switches is automatically sent to the AE Control Center providing a clearer picture of what is happening in the field.

MBE/WBE solicited: 2/5

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Ninety notices were sent, including two MBEs and five WBEs. Seven bids were 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. Lowest bid received meeting specifications.
- b. The Purchasing Office concurs with Austin Energy's recommended award.

c. Advertised on the Internet.