

AGENDA



Thursday, June 18, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 32**

Subject: Authorize award and execution of Amendment No. 1 to a contract with TEGRON LP, Longview, TX, to increase the contract for the upgrade of the demineralizer system at Decker Creek Power Station in an estimated amount not to exceed \$200,000, for a revised total estimated contract amount not to exceed \$2,847,508.

Amount and Source of Funding: Funding in the amount of \$200,000 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

For More Information: Shawn M. Harris, Buyer II, 505-7351

Purchasing Language: Contract Amendment.

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.

Boards and Commission Action: To be reviewed by the Electric Utility Commission on June 15, 2009.

Prior Council Action: August 7, 2008 - Approved original contract.

On August 7, 2008, Council approved the award of a contract with TEGRON LP in an estimated amount not to exceed \$2,647,508.

This contract is for the upgrade of the demineralizer system at the Decker Creek Power Station, to be completed in three phases. Phase I was approved for a not to exceed amount of \$990,000, with the option to complete Phase II and Phase III in an estimated amount not to exceed \$1,000,000 and \$657,508 respectively. The demineralizer removes all trace amounts of minerals from the feedwater that enters the boiler. Minerals must be removed to prevent build-up that could lead to failure of the generation system. The existing system is the original installed equipment and is becoming increasingly expensive and time consuming to maintain.

This proposed Amendment No. 1 will allow for the trenching and laying of conduit and stainless water process piping between the filtration building and the demineralizer building as part of Phase I. This change is needed as the current piping which was originally thought to be sufficient to carry the demand has been found to be insufficient. These new stainless process lines will increase the current production rate of treated process water that the plant operation demands. The plant will also be able to treat lake water to be used as boiler feed water and other process water which will increase the conservation of the City potable water that is currently being used. These process lines will increase the dependability and reliability of the City potable water to the filtration building during critical situations.