

AGENDA



Thursday, July 23, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 65**

Subject: Authorize award and execution of a 12-month requirements supply contract with CRAWFORD ELECTRIC SUPPLY, Austin, TX for the purchase of compact fluorescent bulbs in an estimated amount not to exceed \$59,819, with one 12-month extension option in an estimated amount not to exceed \$59,819, for a total estimated contract amount not to exceed \$119,638.

Amount and Source of Funding: Funding in the amount of \$9,970 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Sandy Calles, Sr. Buyer 322-6487

Purchasing Language: Lowest bid meeting specifications 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 approximately 45,000 compact fluorescent light (CFLs) bulbs per year for distribution to Austin Energy customers as part of an outreach effort to encourage the community to save energy. These bulbs will also be distributed at events that are scheduled in targeted low-income areas and may be distributed to service providers who serve low-income residents (e.g. Caritas, Meals on Wheels).

Use of the CFLs is expected to result in an overall energy savings of 1.6 million kWh per year. The amount of capacity avoided by the purchase of approximately 45,000 CFLs is estimated at 270KW saved. The program cost for this project is determined to be \$218 per KWsaved. When compared to the cost of a \$700,000 per megawatt natural gas plant, this CFL project is very cost-effective at a program cost of \$218 per KWsaved.

In addition, emission reductions of approximately 1,062 tons of Carbon Dioxide (CO₂) and approximately 1,339 pounds of Nitrogen Oxide (NO_x) are anticipated annually. At a minimum life span of four years per CFL, the total savings is expected to exceed 6,566,496 kWh.

CFLs produce about 75% less heat, so they are safer to operate and can cut energy costs associated with home cooling. Austin Energy promotes the use of ENERGY STAR qualified bulbs which use about 75% less energy than standard incandescent bulbs and last up to 10 times longer. CFLs save approximately \$30 or more in electricity costs over the lifetime of the bulb.

MBE/WBE solicited: 0/1

MBE/WBE bid: 0/1

Price Analysis

- a. Adequate competition.
- b. Thirty-two notices were sent, including one WBE. There are no known MBEs available for this commodity. Seven bids were received, including one WBE.
- c. The pricing offered represents a 2% decrease from the last purchase made in August 2008.

Approval Justification

- a. Lowest bid received meeting specifications. Crawford Electric was the previous supplier of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.