

## AGENDA



Thursday, July 23, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 70**

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**Subject:** Authorize award and execution of a contract with PETRO-VALVE, INC., Houston, TX for the purchase of a new valve body to repair a main steam stop valve at Austin Energy's Decker Creek Power Station in an amount not to exceed \$118,000.

**Amount and Source of Funding:** Funding 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:** Shawn M. Harris, Supervising Sr. Buyer 505-7351

**Purchasing Language:** Sole Source.

**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 contract.

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on July 20, 2009.

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This contract is for the purchase of an outer valve body needed to repair a main stop valve in Unit 1 at Austin Energy's Decker Creek Power Station. The valve body will be integrated with inner valve parts to make a complete main stop valve necessary for proper functioning of plant equipment.

Decker Unit 1 has a combustion engineering boiler capable of producing over 3,050,000 lbs of steam per hour. The valve currently installed has an internal crack in the valve body and, as a result, a history of inadequate steam isolation has been reported by plant personnel. Failure to replace this valve could result in significant damage to major plant equipment at Decker. Changing the outer valve body to a material matching the boiler piping will reduce engineering and installation costs by eliminating the need to weld pipe stubs onto the valve. Additionally, this will eliminate the need for future special inspections of a complex weld between two different materials.

Petro-Valve is the only company who will warranty the completed main stop valve using the internal main stop parts already purchased by Austin Energy.