

AGENDA



Thursday, July 23, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 71

Subject: Authorize award and execution of two contracts for the purchase of high strength porcelain post insulators with POWER SUPPLY, INC., Austin, TX, in an amount not to exceed \$65,000; and with MACLEAN POWER SUPPLY, Franklin Park, IL, in an amount not to exceed \$34,300.

Amount and Source of Funding: Funding in the amount of \$65,000 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy. Funding in the amount of \$34,300 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

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

Purchasing Language: Lowest bid meeting specifications of eight 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 purchase of extra high strength porcelain post insulators for Austin Energy's (AE) Decker Substation to replace insulators that were installed when the plant was built in the 1970's. They are over 30 years old and are approaching the end of their designed life.

The Decker Switchyard is one of Austin Energy's major connection points to the Texas Interconnected System. The fault current seen at this station comes not only from the Austin Energy power system but also from the Texas Interconnected System. The fault current at the Decker Switchyard has increased over the last 30 years in direct proportion to the increase in the electrical power load of the Austin Energy power system.

The original insulators have lost strength and the available fault current has increased thus increasing the mechanical stresses placed on the insulators under fault conditions. As a result, it is necessary to replace the insulators because they are not strong enough to support the buswork under fault conditions. MBE/WBE solicited: 4/2 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Eighty notices were sent, including four MBEs and two WBEs. Nine bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 1% increase to the last purchase made April 2009.

APPROVAL JUSTIFICATION

- a. Lowest bid received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.