

## AGENDA



Thursday, August 27, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 41

**Subject:** Authorize award and execution of a 24-month requirements supply contract with STUART C. IRBY CO, Dallas, TX for 362kV Class dead tank circuit breakers for Austin Energy in an estimated amount not to exceed \$1,258,730, with three 12-month extension options in an estimated amount not to exceed \$629,365 per extension option, for a total estimated contract amount not to exceed \$3,146,825.

**Amount and Source of Funding:** Funding in the amount of \$1,258,730 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy. Funding for the remaining 23 months of the original contract period and 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 two 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 362kV, 3000A, dead tank circuit breakers for use in the Austin Energy electric power system. Circuit breakers are devices that can be opened to interrupt the flow of power in an electrical system. Circuit breakers can be opened manually to isolate a transmission line or a substation during construction or maintenance activities. The most important use of circuit breakers is to be opened by the system protective relay system to interrupt a fault condition. The protective relay system analyzes the fault and determines which circuit breakers to open to minimize the effect of the fault on the electrical system. Circuit breakers must operate reliably and quickly to minimize power disturbances and outages.

MBE/WBE solicited: 5/2

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition
- b. Eighty-four notices were sent, including five MBEs and two WBEs. Two bids were received with no response from the MBE/WBEs.
- c. The pricing offered represents a 17% increase to the last purchase in December 2000. Industry indices indicate an approximate increase for these type products of 27% since the last award.

**APPROVAL JUSTIFICATION**

- a. Lowest bid received meeting specifications. Stuart C. Irby Co. was not the last supplier of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.

c. Advertised on the Internet.