

## AGENDA



Thursday, May 13, 2010

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 19**

**Subject:** Authorize award and execution of a 36-month requirements supply contract with PRIESTER-MELL & NICHOLSON, Austin, TX, for the purchase of sulfur hexafluoride gas (SF6) padmount switchgear for Austin Energy in an estimated amount not to exceed \$7,177,179, with three 12-month extension options in an estimated amount not to exceed \$2,392,393 per extension option, for a total estimated contract amount not to exceed \$14,354,358.

**Amount and Source of Funding:** Funding in the amount of \$797,464 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining 32 months of the original contract period and extension options is contingent upon available funding in future budgets.

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

**For More Information:** Gabriel Guerrero, Buyer II/322-6060

**Purchasing Language:** Lowest bid 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 will provide for the supply of 17 different models of sulfur hexafluoride gas (SF6) padmounted switchgears. These switchgears will be used to replenish stock at Austin Energy's Decker steel yard warehouse for immediate issue to construction crews on an as-needed basis.

These items are used for serving large industrial/commercial and residential underground electrical service areas. The function of the switchgear is to connect to an electrical main feeder and coordinate with the upstream breaker relay settings and downstream fuses required for high voltage switching and circuit protection.

SF6 switchgear has a gas insulating medium that provides a much smaller gear, no exposed live electrical parts, quicker relay response, and interruption if an electrical fault is indicated. These features provide for better safety, better relay/fuse coordination, and better power system reliability.

MBE/WBE Solicited: 7/2

MBE/WBE Bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. One hundred and five notices were sent, including seven MBEs and two WBEs. Two bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents an 18% increase to the last contract award in December 2007. The increase is primarily due to changes in size and increase in performance requirement of the items in the new contract.

#### APPROVAL JUSTIFICATION

- a. Lowest bid received. Priester-Mell & Nicholson is the current provider for these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.