

AGENDA



Thursday, May 27, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 38**

Subject: Approve the ratification of a contract with SOLAR TURBINE INC., Houston, TX for inspection and repair services on a gas turbine at Austin Energy's Mueller Energy Center in an amount not to exceed \$278,993.51.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy.

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

For More Information: Shawn Harris, Supervising Sr. Buyer/505-7351

Purchasing Language: Critical Business Need.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). This was an emergency service contract; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Electric Utility Commission.

The Mueller Energy Center (MEC) gas turbine suffered a major failure on Saturday, January 30, 2010. Electrical services to the Dell Children's Medical Center of Central Texas was not interrupted as the MEC is electrically backed up by two independent substation feeds. In accordance with Austin Energy's Commodities Service Agreement and the associated contingency plan for Dell Children's Medical Center of Central Texas, it was imperative that the turbine be repaired as soon as possible.

In order to expedite procuring a repair on the failed turbine, the procurement was expedited on the basis of a Critical Business Need. The turbine was removed from the Mueller Energy Center and sent to the Solar Turbines facility in Desoto, Texas, where it was dismantled and evaluated for repair. After extensive examination, the root cause of the failure was identified as a fractured seal which caused subsequent damage to turbine rotor blades and nozzles. The repaired unit has been modified with an acoustic monitoring system to prevent similar occurrences in the future.

The turbine has been reinstalled, tested, and is now fully operational.