

AGENDA



Thursday, June 24, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 40

Subject: Authorize award and execution of a contract with INSTRUMENT TRANSFORMER EQUIPMENT CORPORATION, Charlotte, NC for the purchase of 24 potential transformers for Austin Energy in an amount not to exceed \$167,928.

Amount and Source of Funding: Funding is contingent upon approval of the Fiscal Year 2010-2011 Operating Budget of Austin Energy.

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

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

Purchasing Language: Lowest bid of six 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: To be reviewed by the Electrical Utility Commission on June 21, 2010.

The contract is for the purchase of 24 each, potential transformers required to complete upgrades and replace old equipment at various Austin Energy substations. These transformers are devices that convert larger transmission voltages to lower voltages so protective relays and other control devices can function properly by providing transient and steady-state voltage measurements necessary to operate the control and protection equipment. The number of potential transformers at each substation depends on the size and location of the substation and will be installed on an as-needed basis.

MBE/WBE solicited: 6/3

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred forty-four notices were sent, including six MBEs and three WBEs. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 9% increase to the last purchase made in June 2008.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Instrument Transformer Equipment Corporation is the current provider of this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.