

AGENDA



Thursday, January 27, 2011

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 23**

Subject: Authorize award, negotiation and execution of a 60-month requirements service contract with ATLAS COPCO COMPRESSORS LLC, Houston TX, for a preventive maintenance plan and repair services for Atlas Copco air compressors at Sand Hill Energy Center in a estimated contract amount not to exceed \$250,000. Atlas Copco Compressors, LLC is the sole source provider for these services.

Amount and Source of Funding: Funding in the amount of \$33,333.33 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 52 months of original contract period 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: Maria Andrade, Buyer I/972-9424

Purchasing Language: Recommended by the Electric Utility Commission.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C 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.

This contract will provide a qualified contractor OEM (Original Equipment Manufacturer) to perform preventive maintenance on Atlas Copco compressors at the Sand Hill Energy Center (SHEC). The plan's coverage includes: preventive maintenance, labor, spare parts available 24/7 from Atlas Copco Service Center, access to a 24/7 emergency contact system, diagnostics-SPM (shock pulse monitoring) and temperature and data and oil analysis. The total estimated contract amount also includes costs of any repairs and parts that may be required during the contract term which are not covered by the preventative maintenance portion of the agreement. The maintenance services will be provided at a fixed annual cost of \$19,350.

This is a sole source service contract with Atlas Copco Compressors LLC, who is the only authorized supplier of replacement parts and services as the Manufacturer for the Central Texas region. Atlas Copco has original drawings, specifications, knowledge, and parts to properly maintain these air compressors. The ability to have quick access to the air compressor OEM service provider for repairs and parts is critical to maintaining this equipment. The five Atlas Copco air compressors at the SHEC supply instrument air to the plant which is critical to the operation of the plant. Without instrument air, the plant cannot run.