

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

7820

Agenda Number

17.

Meeting Date:

August 4, 2011

Department:

Purchasing

Subject

Authorize award and execution of a 12-month requirements service contract with ABB, INC., Raleigh, NC for support and maintenance of Austin Energy's STATCOM System in an estimated amount not to exceed \$100,000, with four 12-month extension options in an estimated amount not to exceed \$100,000 per extension option, for a total estimated contract amount not to exceed \$500,000.

Amount and Source of Funding

Funding in the amount of \$16,667 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining ten 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.

Purchasing
Language:

Sole Source.

Prior Council
Action:For More
Information:

Gage Loots, Buyer II /512-322-6118

Boards and
Commission
Action:

To be reviewed by the Electric Utility Commission on 07/18/2011.

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.

Related Items:



Additional Backup Information

This contract is for the purchase of a support and maintenance agreement for Austin Energy's (AE) Static VAR Compensator (STATCOM). The STATCOM provides voltage regulation and dynamic reactive power to the AE transmission system in the downtown area. This is necessary to compensate for events that cause a depression in the system voltage. The STATCOM consists of the power electronic and reactive components, and the associated Mach 2 Communications and Control System.

The proper maintenance and support of the STATCOM is imperative as it is a critical element in AE's transmission system design ensuring reliable power delivery. The STATCOM was designed and manufactured by ABB. ABB has the technical expertise required to provide AE with the support and maintenance necessary to continue optimum operation of the transmission system.

ABB owns the intellectual property rights to the Mach 2 control system hardware and software. ABB is the sole manufacturer and distributor of the associated Mach 2 replacement parts and has the licensed rights to the software in the Mach 2. Because of this, any maintenance or modifications to the control system must originate from ABB.