

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

7838

Agenda Number

97.

Meeting Date:

July 28, 2011

Department:

Purchasing

Subject

Authorize award, negotiation, and execution of a 84-month contract with POWER SYSTEMS MFG, LLC, Jupiter, FL, or one of the other qualified offerors to RFP No. SMH0118, for a long term maintenance agreement for Sand Hill Energy Center's gas turbine and generator unit # 5 in an estimated amount not to exceed \$22,937,248.

Amount and Source of Funding

Funding in the amount of \$1,292,371 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 81 months of the contract period is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing
Language:

Best evaluated proposal of five proposals received.

Prior Council
Action:For More
Information:

Shawn Harris, Supervising Sr. Buyer / 505-7351

Boards and
Commission
Action:

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.

Related Items:



Additional Backup Information

This purchase is for a long term maintenance contract and remote monitoring for the 7FA+e gas turbine and associated generator on the combined cycle unit at Sand Hill Energy Center. The 7FA+e is a General Electric industrial gas turbine which requires regular maintenance throughout engine life to ensure reliability and equipment safety. This contract covers required planned maintenance which includes disassembly, installation, inspection, repair of major parts, and replacement of major parts which have reached the end of service life. It also includes planned maintenance, inspections of the associated generator, and unplanned maintenance as required for all components of the combined cycle unit. For planned repairs, this contract levels cash flow for expensive parts and service over multiple years, which ensures that required maintenance is performed in a timely and cost effective manner. For unplanned maintenance, this contract facilitates Austin Energy's access to parts and services to minimize forced outage duration.

The maintenance, parts inspections, parts repairs, and parts replacements covered in this contract comply with recommendations from the original equipment manufacturer and common practice for other owners of the 7FA+e industrial gas turbine engines and generators.

A City of Austin team with expertise in this area evaluated the proposals and unanimously chose this proposal as the best to provide these services. Evaluation criteria included company and personnel qualifications and experience with similar projects, technical solution proposed and the total evaluated cost for service as well as parts.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PROPOSAL ANALYSIS

- a. Adequate competition.
- b. Seventy-three notices were sent. There are no known M/WBEs for this commodity code. A total of five proposals were received.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.