

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	8504	Agenda Number	61.
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Meeting Date:	August 18, 2011
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Department:	Purchasing
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## Subject

Authorize award and execution of a 12-month requirements supply contract with WAUKESHA ELECTRIC SYSTEMS, INC., Dallas, TX, for the purchase of load tap changer kits for use at Austin Energy substations in an estimated amount not to exceed \$200,000, with four 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$1,000,000.

## 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 11 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.
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Prior Council Action:	
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For More Information:	Gage Loots, Buyer II / 512-322-6118.
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-D 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.
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Related Items:	
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### Additional Backup Information

This contract will provide load tap changer (LTC) kits on an as-needed basis for use in power transformers at Austin Energy (AE) substations. AE currently has over 200 power transformers equipped with LTCs which regulate voltage by changing the number of turns in the transformer windings. While energized, the movement of the contacts creates an arc inside the LTCs. This movement wears out the contacts over time, resulting in the need to replace the LTC.

AE has standardized using LTC kits equipped with extra low resistance (ELR) contacts in replacing old, worn out LTCs. ELR contacts have an increased maximum current rating which reduces heat, carbon build up, and wear. LTCs with ELR contacts last longer than any other replacement LTCs. On average, LTCs equipped with ELR contacts have a life expectancy of five years, while other replacements last about 18 months. This increased life span means that AE crews will replace LTCs about three times less often which reduces labor costs as well as risks involved in switching the load to another transformer so that maintenance can be performed.

Waukesha Electric Systems, Inc. is owner of the trademark ELR for use in association with “electrical and scientific apparatus, namely, electrical connectors and contacts for electrical switches.” The ELR contacts are manufactured by Waukesha using a special metallic alloy and distributed only through their subsidiary High Voltage Supply. The source and type of this special alloy is confidential trade secret information of Waukesha Electric Systems, Inc. and there is not any other comparable product available from any other manufacturer. Therefore, Waukesha Electric Systems, Inc. is the sole source provider for these products.