

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	10851	Agenda Number	35.
Meeting Date:	December 8, 2011			
Department:	Purchasing			
Subject				
Authorize award and execution of a 12-month requirements supply contract with PIONEER TRANSFORMERS LTD., Granby, Quebec, Canada, for the purchase of network transformers for Austin Energy in an estimated amount not to exceed \$1,159,012, with four 12-month extension options in an estimated amount not to exceed \$1,159,012 per extension option, for a total estimated contract amount not to exceed \$5,795,060.				
Amount and Source of Funding				
Funding in the amount of \$869,259 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining three 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:	Lowest bid of six bids received.			
Prior Council Action:				
For More Information:	Gage Loots, Buyer II/512-322-6118			
Boards and Commission Action:	Recommended by the Electric Utility Commission.			
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.			
Related Items:				
Additional Backup Information				

This contract will provide Austin Energy (AE) with network transformers to be purchased on an as-needed basis. Network transformers reduce voltage from primary to secondary levels and are used to supply power to grid-type secondary or "network" distribution systems in areas of high load density, specifically downtown Austin. These network systems are backed up, so that in the event of a failure, customers will not experience disruption of service. Network transformers are installed in vaults either above or below ground, and are designed to operate even in conditions of occasional underwater submersion. AE plans to use these transformers for new installations within the network and to maintain existing services. These transformers have an expected lifespan of 30 years and include an 18-month warranty from the date of acceptance or 12 months from the date they are fully energized.

MBE/WBE solicited: 2/1

MBE/WBE bid: 0/0

**BID TABULATION**

IFB No. GAL0020  
Network Transformers  
(14 – line items)

<b><u>Vendor</u></b>	<b><u>Total Bid Amount □ 12 months</u></b>	<b><u>Total Evaluated Bid Amount □ 12 Months*</u></b>
Pioneer Transformers Ltd. Granby, Quebec, Canada	\$1,159,012.00	\$1,942,581.33
Techline, Inc. Austin, TX	\$1,176,845.14	\$1,953,186.32
Carte International Ltd. New Braunfels, TX	\$1,183,997.00	\$2,008,797.75
Texas Electric Cooperatives Georgetown, TX	\$1,253,478.00	\$2,079,683.87
Power Supply, Inc. Austin, TX	\$1,381,900.00	\$2,179,047.48
Alamo Transformer Supply Co. San Antonio, TX	\$608,261.00**	\$937,559.02**

\* The Total Evaluated Bid is the Total Bid plus the cost of losses (electricity lost during the voltage reduction) over the 30-year life span of the transformer. The formula was published in the solicitation.

\*\* Partial bid. Alamo Transformer Supply Co. only bid on six of fourteen items and were not the lowest bid on any of these items.

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

**PRICE ANALYSIS**

- a. Adequate competition.
- b. One hundred thirty notices were sent, including two MBEs and one WBE. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 0.17% increase from the last contract award made October 2007.

**APPROVAL JUSTIFICATION**

- a. Lowest evaluated bid received. Pioneer Transformers Ltd. is the current provider of these goods.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.