

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

10862

Agenda Number

39.

Meeting Date:

December 8, 2011

Department:

Purchasing

### Subject

Approve ratification of a contract with SOLAR TURBINES, INC. Houston, TX for the purchase and replacement of a gas turbine gearbox at the Mueller Energy Center in an amount not to exceed \$132,668.

### Amount and Source of Funding

Funding is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy.

### Fiscal Note

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

Purchasing  
Language:

Critical Business Need.

Prior Council  
Action:



For More  
Information:

Karen Williams, Senior Buyer 512 322-6467

Boards and  
Commission  
Action:

Recommended by the Electric Utility Commission.

MBE / WBE:

This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority – Owned and Women-Owned Business Enterprise Procurement Program). This was an emergency purchase; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.

Related Items:



### Additional Backup Information

This purchase is for the replacement of the gas turbine 1800 rpm reduction gearbox manufactured by Solar Turbines and located at Austin Energy's (AE) Mueller Energy Center. The 4.3 MW Solar Mercury 50 is a high efficiency, low emissions gas turbine engine that produces electrical power for the Mueller Energy Center and for the Dell Children's Medical Center of Central Texas. The gearbox is an integral component of the Mercury 50 engine, reducing the high output speed of the turbine to a slower speed required to drive the generator. The gearbox is located inside the gas turbine enclosure. Replacement requires removal and reinstallation services of the gas turbine engine. Once the gearbox reaches the 30,000 hour life milestone, the exchange value of the gearbox drastically decreases and the likelihood of failure increases. Such a failure would render the gas turbine inoperable and, in turn, violate Austin Energy's service agreement with Seton which states that the gas turbine is to be the primary source of power for the Medical Center. Immediate replacement of the gearbox is necessary to ensure reliability and reduce costs associated with this equipment.