

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	10864	Agenda Number	40.
Meeting Date:	December 8, 2011			
Department:	Purchasing			
Subject				
Authorize award and execution of Amendment No. 7 to a requirements supply contract with HYUNDAI HEAVY INDUSTRIES, Orlando, FL, to increase the contract authorization for three-phase power transformers for Austin Energy in an estimated amount not to exceed \$2,479,210, for a revised total contract amount not to exceed \$20,134,970.				
Amount and Source of Funding				
Funding in the amount of \$2,479,210 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 required.				
Purchasing Language:	Contract Amendment			
Prior Council Action:	July 26, 2007 - Approved 12-month contract with three 12-month extension options.			
For More Information:	Gage Loots, Buyer II/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**

In August 2007, this contract was awarded as a competitive procurement of three-phase power transformers for Austin Energy (AE). These transformers are purchased on an as-needed basis for use at substations throughout the Austin Energy service area. Transformers convert power delivered by the transmission system from 138,000 volts to the distribution level of 12,470 volts, and are necessary to provide power at a "useable" voltage to residential and commercial customers.

In May 2008, Amendment No. 1 was issued for \$4,413,940 to exercise the first extension option and authorize an economic price adjustment. In July 2008, Amendment No. 2 was issued to incorporate a vendor name change. In July 2009, Amendment No. 3 was issued for \$4,413,940 to exercise the second extension option and in June 2010, Amendment No. 4 was issued for \$4,413,940 to exercise the third extension option. In August 2011, Amendment No. 5 was issued to exercise a 120 day hold over and in October 2011, Amendment No. 6 was issued to exercise a 30 day hold over. The contract term is due to expire on January 2, 2012. This Recommendation for Council Action is for approval of Amendment No. 7 to increase the contract authorization in an estimated amount not to exceed \$2,479,210. The increase to the contract will allow AE to purchase three additional transformers required for upcoming projects including expansions of the Balcones Substation and Carson Creek Substation. Two transformers will be installed at the Balcones Substation to supply base and redundant power to support a new supercomputing system at the University of Texas' J.J. Pickle Research Campus. One transformer will be installed at the Carson Creek Substation to supply redundant power to support the CyrusOne data center. These projects require the transformers be fully installed and energized in 2012. There is a 10-12 month lead time for products ordered under this contract.

Contract Summary

Action	Description	Amount
Original Contract awarded 08/06/2007	Original 12-month contract	\$4,413,940.00
Amendment No. 1	Price increase and exercise the first 12-month extension option	\$4,413,940.00
Amendment No. 2	Vendor name change	\$0.00
Amendment No. 3	Exercise the second 12-month extension option	\$4,413,940.00
Amendment No. 4	Exercise the third 12-month extension option	\$4,413,940.00
Amendment No. 5	Exercise a 120 day hold over	\$0.00
Amendment No. 6	Exercise a 30 day hold over	\$0.00
Proposed Amendment No. 7	Approve an increase to the contract	\$2,479,210.00
Total Revised Contract Amount		\$20,134,970.00