

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

17281

Agenda Number

56.

Meeting Date:

August 2, 2012

Department:

Purchasing

Subject

Authorize award, negotiation, and execution of a 24-month requirements service contract with SIEMENS ENERGY INC. and MECHANICAL DYNAMICS & ANALYSIS INC., or one of the other qualified offerors to RFP No. DKC0035, for maintenance and repair services for steam turbines and generators at Austin Energy's power plants in an estimated amount not to exceed \$13,000,000 each and combined with four 12-month extension options in an estimated amount not to exceed \$5,000,000 each and combined for the first 3 extension options, and \$2,000,000 each and combined for the final option, for a total estimated contract amount not to exceed \$30,000,000 each and combined.

Amount and Source of Funding

Funding in the amount of \$541,667 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining twenty-three months of the initial contract period and extensions is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is not required.

Purchasing
Language:

Best evaluated two proposals received.

Prior Council
Action:For More
Information:

Dolores Castillo, Sr. Buyer/322-6466

Boards and
Commission
Action:

Recommended by the Electric Utility Commission.

Related Items:

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.

Additional Backup Information

This request is for spending authority only up to the specified amount and money will only be spent as needed under a contract to provide specialized maintenance services for inspections, repairs, modifications, upgrades and testing for steam turbines and the associated hydrogen cooled generators in use at Austin Energy's Decker Creek Power Station and Sand Hill Energy Center. Equipment covered by this agreement include Decker units 1 and 2 steam turbines and associated electric generators, Decker units 1 and 2 boiler feed pump turbines, and Sand Hill's Unit 5C steam turbine and associated electric generator. These services include both planned maintenance and unscheduled emergency maintenance. These two contractors will furnish the labor and supervision, equipment, tools, parts and supplies necessary to support maintenance and overhaul work on steam turbines and generators. Having two qualified contractors will ensure timely response and additional expertise. Contractors will submit a work plan, schedule and pricing for individual projects, and the Contractor offering the best value to the City will be awarded the work for that project. The spending authority for the initial contract period is higher than the remaining periods because it includes funding for several planned maintenance projects.

An Austin Energy evaluation team with expertise in this area evaluated the proposals and unanimously chose these proposals as the best for providing these services. Evaluation criteria used to evaluate the proposals included parts availability, schedule, experience and cost for sample work scopes.

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

PRICE ANALYSIS

- a. Adequate competition.
- b. Forty-eight notices were sent. Nine proposals were received. There are no known MBE/WBEs for this commodity.

APPROVAL JUSTIFICATION

- a. Best evaluated proposals. Siemens Energy Inc. and Mechanical Dynamics & Analysis Inc. are current contractors who provide this service.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.