

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	23887	Agenda Number	53.
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Meeting Date:	April 25, 2013
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Department:	Purchasing
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Subject

Authorize award, negotiation, and execution of a 36-month requirements supply contract with TEXAS ELECTRIC COOPERATIVES, or one of the other qualified offerors to RFP No. GAL0009, to provide three-phase power transformers for Austin Energy in an estimated amount not to exceed \$38,097,969, with one 36-month extension option in an estimated amount not to exceed \$38,097,969, for a total estimated contract amount not to exceed \$76,195,938.

Amount and Source of Funding

Funding in the amount of \$4,000,000 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining 29 months of the initial 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:	Best evaluated proposal.
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Prior Council Action:	
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For More Information:	Shawn Willett, Supervising Sr. Buyer, 505-7351
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Boards and Commission Action:	April 15, 2013 - Unanimously approved by the Electric Utility Commission on a vote of 7-0.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9D (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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Additional Backup Information

This contract will establish a supply agreement for the purchase of three-phase power transformers to be used at various substations throughout the Austin Energy service area on an as-needed basis. This type of large transformer is used to convert power delivered by the utility's transmission system from 138,000 volts to the distribution level of 12,470 volts. This is necessary to provide power at a usable voltage to residential and commercial customers.

The cost portion of the evaluation is based on the total "owning" cost, which is the purchase price plus the value of losses (electricity lost during the voltage reduction) over the expected 30-year life span of the transformers. This mathematical formula was included in the solicitation to calculate the total owning cost offered from each Proposer.

A City of Austin team with expertise in this area evaluated the proposals and unanimously chose this proposal as the best to provide these goods. Evaluation criteria included cost, technical concept proposed, demonstrated applicable experience, personnel qualifications, manufacturing capabilities and safety, delivery lead times, responsiveness to terms and conditions, and local business presence.

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 Council may select another qualified offeror and authorize contract negotiations with that provider.

MBE/WBE solicited: 3/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred twenty-right notices were sent including three MBEs. There are no known WBEs for this commodity code. Eighteen proposals were received, with no response from the MBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal. Texas Electric Cooperatives is not the current supplier of these items.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.