

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

27641

Agenda Number

23.

Meeting Date:

October 3, 2013

Department:

Purchasing

## Subject

Authorize award and execution of a 12-month requirements supply contract with POWER SUPPLY, INC., for the purchase of capacitor banks and associated parts for Austin Energy, in an amount not to exceed \$400,930, with four 12-month extension options in an amount not to exceed \$400,930 per extension option, for a total contract amount not to exceed \$2,004,650.

## Amount and Source of Funding

Funding in the amount of \$400,930 is available in the Fiscal Year 2013-2014 Operating Budget of Austin Energy. Funding for the 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 received.

Prior Council  
Action:



For More  
Information:

Gage Loots, Supervising Senior Buyer, 512-322-6251

Boards and  
Commission  
Action:

September 16, 2013 - Recommended by the Electric Utility Commission.

Related Items:

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.

## Additional Backup Information

This contract with Power Supply, Inc. will provide Austin Energy with pole-mounted, pre-assembled capacitor banks and associated parts, including controllers and replacement capacitors, on an as-needed basis. The pre-assembled units are composed of multiple single-phase capacitors. The primary functions of capacitor banks are to maintain a desired voltage profile, correct power factor, and reduce power losses in the electrical distribution system. If Austin Energy does not maintain a certain power factor throughout the distribution system, it may be subject to penalties from ERCOT. The controllers are programmed to operate the capacitor banks based on various factors including temperature, voltage, kVAR, and current. kVAR is kilovolt-amperes reactive, a unit used to measure reactive power in an AC electric power system. This equipment is necessary to maintain a "balance" in the distribution system.

MBE/WBE solicited: 3/2

MBE/WBE bid: 0/0

### **BID TABULATION**

IFB No. GAL0049  
Capacitor Banks  
(4 – line items)

<b><u>Vendor</u></b>	<b><u>Total Bid Amount □ 12 months</u></b>			
	Item 1	Item 2	Item 3*	Item 4
<b>Power Supply, Inc. Austin, TX</b>	<b>\$176,580</b>	<b>\$145,700</b>	No Bid	<b>\$78,650</b>
KBS Electrical Distributors, Inc. Austin, TX	**	\$145,800	No Bid	**
Priester-Mell & Nicholson, Inc. Austin, TX	No Bid	No Bid	\$179,000	No Bid

\* The City has chosen to reject all bids and not to award Item 3 due to failure to pass technical evaluations of the product that were ongoing while the solicitation was advertised.

\*\* Non-responsive for Items 1 & 4 due to failure to meet technical specifications.

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

### **PRICE ANALYSIS**

- Adequate competition.
- One-hundred eighty-one notices were sent, including three MBEs and two WBEs. Three bids were received, with no response from the MBE/WBE.
- The pricing offered represents an average decrease of 6.1% to the last contract awards made December 2009 and September 2010.

**APPROVAL JUSTIFICATION**

- a. Lowest bid. Power Supply, Inc. is the current provider of these goods.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.