

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

28416

Agenda Number

23.

Meeting Date:

November 7, 2013

Department:

Purchasing

Subject

Ratify a contract with TEXAS ELECTRIC COOPERATIVES for the purchase of a 345kV – 138kV, 480MVA autotransformer to be installed at the Garfield Substation for Austin Energy in an amount not to exceed \$3,157,355.

Amount and Source of Funding

Funding was taken from the Fiscal Year 2012-2013 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:

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

Boards and
Commission
Action:

October 21, 2013 - Recommended by the Electric Utility Commission.

MBE / WBE:

This contract was 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.

Related Items:

Additional Backup Information

This contract is for the purchase of one 345kV-138kV, 480MVA autotransformer from Texas Electric Cooperatives, Austin, TX, for Austin Energy. Autotransformers are power transformers used in large substations to reduce the voltage level from a higher transmission voltage (345kV) to the standard urban voltage of 138kV. The ability to handle these high voltages makes autotransformers an absolute vital part of an electric utility's transmission system, especially during times of high peak load. If Austin Energy is unable to transmit power through its system due to undersized or inadequate system resources, such as transmission lines and transformers, congestion penalty charges could be levied by the Electric Reliability Council of Texas (ERCOT).

On June 27, 2013, one of two autotransformers at the Garfield Substation near Del Valle, TX, failed. The normal delivery lead time for this type of transformer is approximately one year. Since Austin Energy requires that this unit be replaced before the Summer 2014 peak load season to provide reliable service to customers and avoid congestion penalties, a Critical Business Need was issued to expedite the purchase of a replacement transformer.

A Request for Proposals (RFP) was issued on July 31, 2013, to pre-qualified firms that had previously supplied power transformers to Austin Energy. The contract was awarded on September 11, 2013 to the best evaluated proposer, Texas Electric Cooperatives. An Austin Energy evaluation team with expertise in this area evaluated the proposals and unanimously chose Texas Electric Cooperatives' proposal as the best to provide this product. Evaluation criteria used to evaluate the proposals included the technical solution, experience, delivery lead times, responsiveness to terms and conditions, local business presence, and evaluated cost (which uses the value of losses—electricity lost during the voltage reduction—to take the efficiency of the transformer into consideration).

Texas Electric Cooperatives will deliver the completely assembled and tested autotransformer to the Garfield Substation by April 30, 2014.