

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council - Commissioner's Court Meeting		Item ID:	34757	Agenda Number	51.
Meeting Date:	August 28, 2014				
Department:	Purchasing				
Subject					
Authorize and award two contracts for Austin Energy: with KBS ELECTRICAL DISTRIBUTORS INC., for the purchase of glass insulators in an amount not to exceed \$173,800, and with TECHLINE, INC., a local bidder that offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City and increased tax revenues to the City, for the purchase of vibration dampers in an amount not to exceed \$34,650.					
Amount and Source of Funding					
Funding in the amount of \$207,680 is available in the Fiscal Year 2013-2014 Operating Budget of Austin Energy.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:	Lowest bids meeting specification.				
Prior Council Action:					
For More Information:	Gabriel Guerrero, Buyer II, 512-322-6060				
Boards and Commission Action:	August 18, 2014 - To be reviewed 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					

These contracts are for the purchase of 11,000 glass insulators and 1,000 vibration dampers to be used by Austin Energy on the "Circuit 3123 Insulator Upgrade Project." The circuit is located between Holman Substation (Fayette County Rd. 1838 – East of Highway 71) and Hillje, Texas. The glass insulators are attached to transmission pole arms to support 345kV transmission line wire. The dampers are installed on the transmission line wire to prevent the wire from vibrating as result of the accumulation of ice and wind. The upgrade project includes replacing existing insulators with new glass insulators. The current insulators are approximately 30 years old and are demonstrating faults and failures due to weak insulating parameters. The new equipment will correct the insulating parameters and increase reliability.

MBE/WBE Solicited: 5/5

MBE/WBE Bid: 0/0

BID TABULATION
IFB No. GGU0134
Glass insulators and vibration dampers

<u>VENDOR</u>	<u>Total Amount Item 1</u>	<u>Total Amount Item 2</u>
Texas Electric Cooperatives Austin, TX	**	**
KBS Electrical Distributors Inc. Austin, TX	\$173,800	**
Stuart C Irby Co Austin, TX	\$179,080	**
MVA Power Inc.* Montreal, QC	**	\$33,880
Techline Inc. Austin, TX	\$176,220	\$34,650
Priester-Mell & Nicholson Austin, TX	\$177,760	\$35,360

* Local Business Preference - item 2.
MVA Power (Montreal QC) bid \$33.88 per piece; Techline (Austin) bid \$34.65 per piece.
The local preference award is 1.02% higher than the base award

** Non-responsive. Did not meet material minimum description requirements.

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FSD Purchasing Office web site.

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred, seventy-nine notices were sent, including five MBEs and five WBEs. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 3.4% decrease for line item 1 and less than 1% increase for line item 2 compared

to the last contract award in August 2012.

APPROVAL JUSTIFICATION

- a. Lowest bids meeting specification.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.