

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	57090	Agenda Number	20.
Meeting Date:	May 5, 2016			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a 12-month contract with SONEPAR USA DBA STUART C. IRBY CO., or one of the other qualified offerors to Request For Proposal RMJ0304, to provide three-phase power transformers on an as needed basis, in a total cumulative amount not to exceed \$17,596,226, with five 12-month extension options in a total cumulative amount not to exceed \$17,596,226 per extension option, for a total contract amount not to exceed \$105,577,356.				
Amount and Source of Funding				
Funding in the amount of \$7,331,761 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding for the remaining seven months of the original contract period and extension options are contingent upon available funding in future budgets.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	The Purchasing Office issued a Request for Proposal (RFP) RMJ0304 for these goods and services on September 21, 2015 and it closed on November 6, 2015 with 14 offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is not the current provider for these goods and services.			
Prior Council Action:				
For More Information:	Ray Moncada, Senior Buyer Specialist Corporate,512-322-6594			
Boards and Commission Action:	April 18, 2016 - Recommended by the Electric Utility Commission on a 10-0 vote with Commissioner Wray off the dais.			
Related Items:				
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore no subcontracting goals were established.			
Additional Backup Information				

The contract is for the purchase of three-phase power transformers on an as-needed basis to be used at various substations throughout the Austin Energy service area. Transformers procured under this contract will be used to replace units that have reached their end of life or for those requiring upgrades or additions. 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. Under this contract, Austin Energy plans to purchase six transformers per year to replace old equipment and meet load growth.

An evaluation team with expertise in this area evaluated the offers and scored Sonepar USA dba Stuart C. Irby Co. as the best to provide these services based on evaluation criteria included cost, technical concept and solution proposed, demonstrated applicable experience, delivery lead times, and local business presence. 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.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider and staff will return to Council so that another qualified offeror may be selected.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)