

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	69163	Agenda Number	18.
Meeting Date:		April 20, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a contract with PEERLESS MFG. CO., for removal, assembly, inspection, installation and replacement of the aqueous ammonia skid for the combined cycle unit heat recovery steam generator at Sand Hill Energy Center, in an amount not to exceed \$464,640.					
Amount and Source of Funding					
Funding is available in the Fiscal Year 2016-2017 Capital Budget of Austin Energy.					
Fiscal Note					
A fiscal note is attached.					
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) ME A0303Rebid2 for these goods and services on October 17, 2016 and it closed on November 8, 2016 with three 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.				
Prior Council Action:					
For More Information:	Terry V. Nicholson, Senior Buyer Supervisor, 512-322-6586				
Boards and Commission Action:	March 20, 2017 – Recommended by the Electric Utility Commission on a 6-0 vote, with Chair Hadden and Commissioner Biedrzycki absent, and with three vacancies.				
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 an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.				
Additional Backup Information					
The contract is for the purchase of a new aqueous ammonia heater skid for the combined cycle electricity generating unit at Austin Energy's Sand Hill Energy Center. The contract includes the removal and disposal of the existing skid, manufacturing and installation of a new skid, and equipment start up. This equipment is replacing the original skid installed when the combined cycle unit was built in 2004. The original skid has been requiring more extensive maintenance to maintain reliability of the unit.					
The aqueous ammonia heater skid is part of the combined cycle unit's emissions control system. The skid vaporizes aqueous ammonia for use in the unit's heat recovery steam generator resulting in the reduction of nitric oxide and nitrogen dioxide emissions which is required for the combined cycle unit to meet the air permit requirements.					
An evaluation team with expertise in this area evaluated the offers and scored Peerless Mfg. Co. as the best to provide these goods and services based on technical concept and solution, experience and qualifications, schedule, cost and					

local business presence.

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 and staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

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](#)