

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	70412	Agenda Number	30.
Meeting Date:		May 18, 2017			
Department:		Purchasing			
Subject					
Authorize award and execution of a 12-month contract with NOLAN POWER GROUP, LLC, to provide 130 volt battery banks and battery testing services, in an amount of \$381,721, with four 12-month extension options in an amount of \$381,721 per extension option, for a total contract amount not to exceed \$1,908,605.					
Amount and Source of Funding					
Funding in the amount of \$159,050 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining eight months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued an Invitation for Bids (IFB) DNJ0133 for these goods and services on October 31, 2016 and it closed on December 1, 2016 with eight offers received. The recommended offer is the lowest offer submitted by a responsible offeror. Additional information on the solicitation is included below the line.				
Prior Council Action:					
For More Information:	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a>  NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized Contact Person: Darralyn Johnson, at 512-505-7293 or <a href="mailto:Darralyn.Johnson@austinenergy.com">Darralyn.Johnson@austinenergy.com</a>				
Boards and Commission Action:	April 17, 2017 – Recommended by the Electric Utility Commission on a 7-0 vote, with Commissioners Reel and Wray absent and two 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 insufficient subcontracting opportunities; therefore, no subcontracting goals were established.				

#### Additional Backup Information

The contract will provide battery banks and battery testing services for use at substations throughout Austin Energy's service area on an as-needed basis. The battery banks are needed to replace those that have reached their end-of-life, and for unit upgrades and new installations. Testing services procured under this contract will be used for maintenance testing of existing battery banks to comply with North American Electric Reliability Corporation (NERC) requirements.

Battery banks are critical equipment in all substations. The battery banks are made of up 60 individual battery cells strung together and used as a power source for the protection system's switching and control devices. This power source provides an uninterrupted supply of current for emergency lights and power, and as emergency power for equipment protection devices in the event of a blackout. NERC has mandated that batteries undergo a performance capacity test every six years to ensure installed batteries are able to perform as intended. If the batteries fail the performance test, they must be replaced.

The prior contract for the battery bank and battery testing services expired on August 2, 2016. Prior to the contract's expiration, battery banks were ordered for critical projects and immediate maintenance needs. However, the inventory has been depleted and this equipment must be purchased on the spot until a new contract can be executed. The requested authorization amount is based on maintenance needs, NERC requirements, estimated growth, and emergency preparedness for the next five years. Without this contract, Austin Energy will be without a constant source of batteries and required testing services for substations and, therefore, could be without emergency power and power for equipment protection devices at substations. In addition, if battery testing cannot be performed, Austin Energy could be deemed non-compliant with NERC standards and levied financial penalties.

#### **BID TABULATION**

IFB DNJ0133

130V Battery Bank and Battery Testing Service

11 line items

<b><u>VENDOR</u></b>	<b><u>AMOUNT</u></b>
Nolan Power Group, LLC	\$381,721.00
Mesa Technical Associates	\$398,051.27
Interstate Powercare	\$416,558.00
Advanced Battery Systems	\$462,768.45
Storage Battery Systems	\$607,794.80
Graybar Electric	\$639,783.98
Texas Electric	\$639,794.00
Integrity Power Systems	\$842,403.50

A complete solicitation package, including a bid tabulation, 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](#)

**NOLAN POWER GROUP, LLC.**

	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	12	\$ 381,721	n/a	n/a
Extension Option 1	12	\$ 381,721	n/a	n/a
Extension Option 2	12	\$ 381,721	n/a	n/a
Extension Option 3	12	\$ 381,721	n/a	n/a
Extension Option 4	12	\$ 381,721	n/a	n/a
<b>TOTAL</b>	<b>60</b>	<b>\$ 1,908,605</b>	<b>\$ -</b>	<b>\$ -</b>