

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	72865	Agenda Number	43.
Meeting Date:		August 31, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of three contracts with MTU Maintenance Berlin-Brandenburg, TransCanada Turbines Inc., and Wood Group/Pratt & Whitney, to provide gas turbine repair and maintenance, each for an initial term of two years, with three one year extension options, for total contract amounts not to exceed \$34,000,000, divided among the contractors.					
Amount and Source of Funding					
Funding in the amount of \$6,233,334 is contingent upon approval of the proposed Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the remaining one year of the initial term and extension options is contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:		The Purchasing Office issued a Request for Proposals (RFP) CAK0014 for these services. The solicitation issued on April 3, 2017 and it closed on May 16, 2017. Three offers were received, all three contractors recommended submitted the best evaluated responsive offers. A complete solicitation package, including a response list, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents			
Prior Council Action:					
For More Information:		Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Cheryl Kaufman, at 512-505-3545 or Cheryl.Kaufman@austinenergy.com			
Boards and Commission Action:		August 14, 2017 - Unanimously recommended by the Electric Utility Commission on an 8-0 vote, with Commissioners Stout and Zell absent and one vacancy.			
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 services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

Additional Backup Information

These contracts will provide specialized maintenance services for inspections, repairs, modifications, upgrades and testing for aeroderivative gas turbines in use at Austin Energy's Decker Creek Power Station (four Pratt & Whitney FT4C-1's) and Sand Hill Energy Center (six General Electric LM6000's). These services include planned and emergency maintenance and the contractors will furnish labor and supervision, equipment, tools, parts and supplies. Multiple contractors are required to provide expertise on each gas turbine model and to ensure timely response. As services are required under these contracts, Austin Energy will provide contractors with a written work scope for each project. Contractors will submit a work plan, schedule, and pricing for individual projects. The contractor offering the best value to the City will be awarded the work for that project.

These contracts will replace the current contracts that expire on October 27, 2017, with a spend of \$30,646,290 over the last five years. The contract authorization requested includes similar maintenance and repair services for the gas turbines.

An evaluation team with expertise in this area evaluated the offers and scored MTU Maintenance Berlin-Brandenburg, TransCanada Turbines Inc., and Wood Group/Pratt & Whitney as the best to provide these services based on technical solution and program, cost, experience and qualifications, and local business presence. Two of the contractors are the current providers for these services.

Without authorization to execute these contracts, Austin Energy will not be able to complete scheduled maintenance and timely repair of its gas turbines jeopardizing the utility's ability to manage energy costs for its customers.

MTU MAINTENANCE BERLIN-BRANDENBURG, TRANSCANADA TURBINES INC., and WOOD GROUP/PRATT & WHITNEY

	Contract Term	Contract Amount	Contract Amendment	Revised Amount
Initial Term	2	\$ 13,600,000	n/a	n/a
Extension Option 1	1	\$ 6,800,000	n/a	n/a
Extension Option 2	1	\$ 6,800,000	n/a	n/a
Extension Option 3	1	\$ 6,800,000	n/a	n/a
TOTAL	5	\$ 34,000,000	\$ -	\$ -