

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: October 5, 2017

Item Number: 023

Purchasing Office

Authorize award and execution of a multi-term contract with TBEA USA Company, to provide voltage transformers, for up to five years for a total contract amount not to exceed \$986,715. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.)

Fiscal Note	Funding in the amount of \$197,343 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the contract term is contingent upon available funding in future budgets. A fiscal note is not required.
<u>Purchasing Language</u>	The Purchasing Office issued an Invitation for Bids (IFB) DNJ0138REBID2 for these goods. The solicitation issued on June 5, 2017 and it closed on June 20, 2017. Of the nine offers received, the recommended contractor submitted the lowest responsive offer. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents < https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=118768 >.
<u>For More Information</u>	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov < mailto:AgendaOffice@austintexas.gov > NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Darralyn N. Johnson, at 512-505-7293 or Darralyn.Johnson@austinenergy.com < mailto:Darralyn.Johnson@austinenergy.com >.

<u>Council Committee, Boards and Commission Action</u>	September 18, 2017 - Recommended by the Electric Utility Commission on a 7-0 vote, with Commissioners Fath, Reel and Wray absent and one vacancy.
<u>Client Department(s)</u>	Austin Energy.

Additional Backup Information:

The contract will provide 145kV and 362kV voltage transformers that are either to replace units that have reached their end-of-life, are required for upgrades, or are a new demand. The voltage transformers will be used at various substations throughout the Austin Energy service area on an as-needed basis. Voltage transformers are used for both revenue metering and relaying purposes.

The prior contract expired in May 2016 with an annual authorization of \$197,400 and an average annual spend of \$194,242. Prior to the expiration, Austin Energy ordered the voltage transformers for critical projects and immediate maintenance needs as required on an individual basis due to much lower demand. However, the need for 362kV voltage transformer is increasing due to aging equipment and projected growth. The requested authorization amount is based on maintenance needs, growth, and emergency preparedness for the next five years.

If the City is unable to secure a contract for these voltage transformers, it could result in a degradation of Austin Energy's power production capabilities.

TBEA USA Company				
	Contract Term	Contract Amount	Contract Amendment	Revised Amount
Initial Term	1	\$ 197,343	n/a	n/a
Extension Option 1	1	\$ 197,343	n/a	n/a
Extension Option 2	1	\$ 197,343	n/a	n/a
Extension Option 3	1	\$ 197,343	n/a	n/a
Extension Option 4	1	\$ 197,343	n/a	n/a
TOTAL	5	\$ 986,715	\$ -	\$ -