

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: November 9, 2017

Item Number: 032

## Purchasing Office

Authorize award and execution of a multi-term contract with KBS Electric Inc., to provide transformer load tap changer parts, for up to five years for a total contract amount not to exceed \$340,619. (Notes: 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 required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.).

<b>Lead Department</b>	Purchasing Office.
<b>Fiscal Note</b>	Funding in the amount of \$68,124 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.
<b>Purchasing Language</b>	The Purchasing Office issued an Invitation for Bids (IFB) DNJ0141 for these goods. The solicitation issued on June 12, 2017 and it closed on June 27, 2017. Of the four offers received, the recommended contractor submitted the lowest responsive offer. A complete solicitation package, including a tabulation of bids received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: <a href="https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=119209">Solicitation Documents</a> < <a href="https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=119209">https://www.austintexas.gov/financeonline/vendor_connection/solicitation/solicitation_details.cfm?sid=119209</a> >.
<b>For More Information</b>	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> < <a href="mailto:AgendaOffice@austintexas.gov">mailto: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 N. Johnson, at 512-505-7293 or <a href="mailto:Darralyn.Johnson@austinenergy.com">Darralyn.Johnson@austinenergy.com</a> < <a href="mailto:Darralyn.Johnson@austinenergy.com">mailto:Darralyn.Johnson@austinenergy.com</a> >.
<b>Council Committee, Boards and Commission Action</b>	October 16, 2017 - Unanimously approved by the Electric Utility Commission on a 7-0 vote, with Commissioners Fath, Stout and Wray absent, and one vacancy.
<b>Client Department(s)</b>	Austin Energy.

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#### **Additional Backup Information:**

The contract will provide transformer load tap changer parts for Austin Energy. Load tap changers are essential parts of transformers, ensuring they operate safely and reliably. They extend the life of transformers while reducing operation and manufacturing costs by regulating system voltage to match changes in the load of transformers. Like other essential electrical parts, load tap changers experience wear and tear, therefore, require maintenance or replacement to extend transformer life expectancy.

This is a new contract and the estimates were based on the number of units in service and previous maintenance history.

#### **Contract Detail**

		<b><u>Contract Term</u></b>	<b><u>Contract Amount</u></b>	<b><u>Contract Amendment</u></b>	<b><u>Revised Amount</u></b>
Initial Term		2	\$136,247	n/a	n/a
Extension Option 1		1	\$ 68,124	n/a	n/a
Extension Option 2		1	\$ 68,124	n/a	n/a
Extension Option 3		1	\$ 68,124	n/a	n/a
<b>TOTAL</b>	<b>5</b>		<b>\$340,619</b>	<b>\$ -</b>	<b>\$ -</b>

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