



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 22
AGENDA DATE: Thu 01/15/2004
PAGE: 1 of 2

SUBJECT: Authorize negotiation and execution of a contract with TEGRON, INCORPORATED, Austin, TX for the purchase of a gas yard control system for the Decker Creek Power Station in an amount not to exceed \$236,142.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2003-2004 Approved Capital Budget of the Electric Utility Department.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Purchasing
DEPARTMENT: for Austin Energy;

DIRECTOR'S
AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Martha L. Gaines, Buyer II/322-6583

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Best evaluated proposal.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for the purchase of a Gas Yard Control (GYC) system at the Decker Creek Power Station. A control system is needed to regulate the pressure, flow, and noise level of natural gas being delivered by pipeline to the gas and steam turbines. There are two gas lines from two different gas suppliers. The GYC will replace the existing system, which is comprised of the original equipment installed in 1990 and is now obsolete. The new GYC will work in conjunction with the new Distributed Control System (DCS) and will be installed as a part of the Decker Unit 2 DCS Upgrade. The GYC is vital to the operation of the Decker Creek Station as it monitors and controls all the natural gas flow to the various generating units. Improved check metering controls that measure and record the amounts of gas that have been delivered to ensure an accurate proper billing and documentation will also result from the new system.

An RFP solicitation was used to select the plan that will optimize coordination of all elements of a complete control system for the gas yard.

The evaluation committee consisted of a four-member panel (plant engineers, instrumentation technician, and buyer). An evaluation meeting was held where all evaluators met to determine scores given to each vendor.

Best evaluated proposal/4 proposals received
MBE/WBE Subcontracting Participation: 0%/0%

MBE/WBE Solicited: 1/0
MBE/WBE Bid: 0/0



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PRICE ANALYSIS

- a. Adequate competition.
- b. Eleven notices were sent, including one MBE. Five packages were issued. Four proposals were received. The MBE did not respond. There were no WBEs listed for this commodity code.
- c. In 1990, the gas yard control components (i.e., controls, gas lines, meters) were purchased and installed in phases. A complete system has not been purchased at one time; therefore, there is no price comparison.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. The Electric Utility Department concurs with the recommended award.
- c. Advertised on the Internet.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

1/8/2004

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Electric Utility Department

SUBJECT: Authorize negotiation and execution of a contract with TEGRON, INCORPORATED, Austin, TX for the purchase of a gas yard control system for the Decker Creek Power Station in an amount not to exceed \$236,142.

FINANCIAL INFORMATION:

Parent Project Name: **Power Production**
Project Authorization: 2003-2004 Approved Capital Budget

| | | |
|-----------------------|-------------------|--------------------------------|
| Current Appropriation | \$ 341,724,850.00 | |
| Unencumbered Balance | | \$ 31,206,786.23 |
| Amount of This Action | | <u>(236,142.00)</u> |
| Remaining Balance | | <u><u>\$ 30,970,644.23</u></u> |

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning & Budget

Signature: _____



Date: _____

12/26/03