



**Purchasing Supply Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 12  
AGENDA DATE: Thu 04/14/2005  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of a 12-month supply agreement with TEXAS ELECTRIC COOPERATIVES, Georgetown, TX, for design and fabrication of substation steel structures in an amount not to exceed \$824,894, with four 12-month extension options in an amount not to exceed \$824,894, for a total agreement amount not to exceed \$4,124,470.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$824,894 is available in the Fiscal Year 2004-2005 Approved Capital Budget of the Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING** Purchasing                      **DIRECTOR'S**  
**DEPARTMENT:**for Austin Energy;      **AUTHORIZATION:** Vickie Schubert

**FOR MORE INFORMATION CONTACT:** Dolores Castillo, Senior Buyer/322-6466

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Low bid of four bids received.

**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.

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This supply agreement will provide various types of galvanized substation steel structures for use at current and future Austin Energy substations. Galvanized structural steel is used in the construction and modification of electric substations by providing support for insulators and to provide a mounting surface for switches and other high voltage electrical apparatus.

This contract includes the provision to allow staff to review, consider and authorize out-of-cycle increases or surcharges due to prevailing market conditions for the purchase of goods manufactured from steel, during the contract period. A surcharge is a dollar amount that is temporarily paid in addition to the unit prices stated in the contract, which covers only the out-of-cycle increased cost to the contractor. No increases to the total contract dollar amount are requested.

MBE/WBE Solicited: 5/2

MBE/WBE Bid: 0/0



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**BID TABULATION**

(253 pieces of Substation Structural Steel)

54 Line Items

Ref. IFB DC05100011

<u>DESCRIPTION</u>	<u>TX Elect. Coop. Georgetown, TX</u>	<u>Adv. Steel Tulsa, OK</u>	<u>Valmont Ind. Tulsa, OK</u>	<u>Dis-Tran Steel Pineville, LA</u>
Items 1-54/various pieces of galvanized steel structures	<b>\$824,894.00</b>	<b>\$835,764.30</b>	<b>\$973,253.98</b>	<b>\$1,721,620.00</b>

Note: A complete bid tabulation is available in the Purchasing Office.

**PRICE ANALYSIS**

- Adequate competition.
- Twenty notices were issued including five MBEs and two WBEs. Thirteen solicitations were issued and four bids were received. MBEs/WBEs did not respond.
- A price comparison is not available since Austin Energy has not contracted for these items since 1999. Since then, the steel market has had several sharp increases due to the prevailing global markets.

**APPROVAL JUSTIFICATION**

- Low bid.
- Austin Energy concurs with the recommended award.
- Advertised on the Internet.

**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**  
**WHERE ON AGENDA:**  
**DEPARTMENT:**

4/14/2005  
Resolution  
Austin Energy

**SUBJECT:** Authorize execution of a 12-month supply agreement with TEXAS ELECTRIC COOPERATIVES, Georgetown, TX, for design and fabrication of substation steel structures in an amount not to exceed \$824,894, with four 12 -month extension options in an amount not to exceed \$824,894, for a total agreement amount not to exceed \$4,124,470.

**FINANCIAL INFORMATION:**

Parent Project Name:       **Distribution Substation**  
Project Authorization:      2004-2005 Approved Capital Budget

Current Appropriation	\$ 60,753,349.00	
Unencumbered Balance		\$ 8,481,130.01
Amount of This Action		<u>(824,894.00)</u>
Remaining Balance		<u>\$ 7,656,236.01</u>

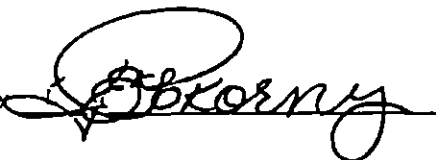
**Use of Remaining Balance:**

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 and Budget Signature



Date:

3/25/05