



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

**AGENDA ITEM NO.: 17
AGENDA DATE: Thu 06/10/2004
PAGE: 1 of 2**

SUBJECT: Authorize execution of two, 12-month supply agreements with USCO POWER EQUIPMENT CORP., Birmingham, AL, in an amount not to exceed \$353,680, with four 12-month extension options in an amount not to exceed \$353,680 per extension option, for a total agreement amount not to exceed \$1,768,400; and with TEC UTILITY SUPPLY & SERVICES, Georgetown, TX, in an amount not to exceed \$279,459, with four 12-month extension options in an amount not to exceed \$279,459 per extension option, for a total agreement amount not to exceed \$1,397,295 for air switches in various sizes for the Electric Utility Department

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$105,523.16 is available in the Fiscal Year 2003-2004 Capital Budget of the Electric Utility Department. Funding in the amount of \$105,523.16 is available in the Fiscal Year 2003-2004 Amended Operating Budget of the Electric Utility Department. Funding for the remaining eight months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: A fiscal note is required.

REQUESTING Purchasing
DEPARTMENT:for Austin Energy;

DIRECTOR'S
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: Lowest bids of eight 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.

These contracts will establish two, 12-month supply agreements for seven different types and sizes of air switches. Air switches are necessary in electrical substations to isolate sections of an electrical system. During normal operations, when an air switch is closed, the current flows to the electrical equipment such as breakers or transformers. Air switches are used in a high-voltage electric system facility to switch generators, terminate a transmission line, and interconnect transmission line equipment and circuits or lines in and out of the system. During maintenance, the air switch is opened to stop the flow of current to allow Austin Energy personnel to safely perform maintenance and repair or installation of substation equipment.

MBE/WBE Solicited: 2/0

MBE/WBE Bid: 0/0



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**BID TABULATION
IFB# DC04100013
AIR SWITCHES**

<u>VENDOR</u>	<u>ITEM 1</u>	<u>ITEM 2</u>	<u>ITEM 3</u>	<u>ITEM 4</u>	<u>ITEM 5</u>	<u>ITEM 6</u>	<u>ITEM 7</u>
USCO Birmingham, AL	\$4,353	\$5,500	\$4,947	\$6,878	\$5,150	\$6,134	\$13,921
TEC Georgetown, TX	\$5,289	No Bid	\$4,579	\$4,875	\$5,089	No Bid	No Bid
AREVA Charlerol, PA	\$5,700	\$7250	No Bid	No Bid	\$7,100	\$8,780	\$16,940
Cleavland/Price Trafford, PA	\$4,677	\$5,040	\$5,231	\$5,801	\$4,850	\$5,230	No Bid
Morpac Industries Tuscon, AZ	\$5,142	\$6,085	\$8,082	\$9,285	\$6,630	\$7,832	\$14,750
PASCOR Austin, TX	\$5,555	\$8,195	No Bid	No Bid	\$6,405	\$8,678	\$13,037
Pacific Air Switch Forest Grove, OR	\$5,077	\$6,050	\$5,624	\$6,775	\$5,568	\$6,510	No Bid
Southern States Carthage, TX	\$4,870	\$5,625	\$4,715	\$5,950	\$4,795	\$5,995	\$13,380

Notes: Item 2, 5, 6, and 7-Cleavland/Price, Southern States, and Pascor submitted bids which were lower in price, but did not meet the specification requiring a 10-year warranty from date of shipment.

A complete bid tabulation is available in the Purchasing Office.

PRICE ANALYSIS

- Adequate competition.
- Twelve notices were issued including two MBEs. Ten bids were issued and eight bids were received. MBEs did not respond. There are no known WBEs for this commodity.
- Price comparison to the last contract issued in December 1999, indicates these bid prices reflect a 9% decrease, which can be attributed to the quantity of air switches being projected for purchase in the next five-year term.

APPROVAL JUSTIFICATION

- Low bid for items 1, 3 and 4. Low bidder meeting specification for Items 2, 5, 6, and 7.
- The Electric Utility Department concurs with this award.
- Advertised on the Internet.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

6/10/2004

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Electric Utility Department

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FINANCIAL INFORMATION:

Parent Project Name: **Transmission**

Project Authorization: 2003-2004 Approved Capital Budget

Current Appropriation	\$ 127,475,734.00	
Unencumbered Balance		\$ 9,633,277.17
Amount of This Action		<u>(105,523.16)</u>
Remaining Balance		<u>\$ 9,527,754.01</u>

Use of Remaining Balance:

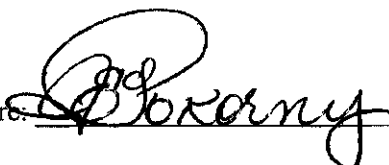
Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning and Budget

Signature: _____



Date: _____

5/17/04