



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

**AGENDA ITEM NO.: 33
AGENDA DATE: Thu 06/24/2004
PAGE: 1 of 2**

SUBJECT: Authorize execution of a 12-month supply agreement with ABB, INCORPORATED, c/o POWER SUPPLY, INCORPORATED, Austin, TX, for twelve 15kV arc-resistant switchgear in an amount not to exceed \$3,910,164, with three 12-month extension options in an amount not to exceed \$3,910,164 per extension option, for a total agreement amount not to exceed \$15,640,656.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$977,541 is available in the Fiscal Year 2003-2004 Approved Capital Budget of the Electric Utility Department. Funding for the remaining 10-months of the original agreement and 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, Buyer/322-6466

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid of two 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.

This contract is for the purchase of twelve 15kV, arc-resistant switchgear per year. This switchgear consists of a 14-foot long housing with five 15kV circuit breakers and a common indoors aisle. The switchgear will be used at multiple substations to be installed as the City's service area expands as well as to retire older units in the system.

The switchgear specification requires a specialized design known as Type 2 Arc-Resistant switchgear. It provides protection from explosion at the front, back, and sides of the housing. This is required to prevent a fault in a breaker from causing extensive injury to AE personnel as well as damage to the adjacent equipment, which could result in an extended power outage for customers. Arc-resistant switchgear has two basic functions. First, the switchgear connects the power transformer to the distribution system, delivering power to AE's customers. Second, if there is a short circuit on the distribution system, the switchgear will disconnect the transformer from the distribution system to protect the transformer from high currents caused by the short circuit.

MBE/WBE solicited: 0/2

MBE/WBE bid: 0/0



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**BID TABULATION
IFB No. DC04100019
(15kV Arc-Resistant Switchgear)
12 each**

<u>Vendor</u>	<u>Unit Cost</u>	<u>Total Bid</u>
ABB, Incorporated c/o Power Supply Austin, TX	\$325,847	\$3,910,164
Powell Industries Houston, TX	\$376,570	\$4,518,840

PRICE ANALYSIS

- Adequate competition.
- Eight notices were sent including two WBEs. Three solicitations were issued. Two bids were received. The WBEs did not respond. There are no known MBEs for this commodity.
- A similar switchgear was purchased for \$432,500 in February 2004. The switchgear specification was upgraded to improve reliability and personnel safety. The cost of this switchgear reflects a 32% decrease since the last purchase, which is a result of the volume purchase.

APPROVAL JUSTIFICATION

- Low bid.
- The Electric Utility Department concurs with the recommended award.
- Advertised on the Internet.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

6/24/2004

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Electric Utility Department

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FINANCIAL INFORMATION:

Parent Project Name: **Distribution Substation**
Project Authorization: 2003-2004 Approved Capital Budget

Current Appropriation	\$ 60,753,349.00	
Unencumbered Balance		\$ 17,399,030.36
Amount of This Action		<u>(977,541.00)</u>
Remaining Balance		<u><u>\$ 16,421,489.36</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 and Budget

Signature: 

Date: 6/3/04