



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

**AGENDA ITEM NO.: 36  
AGENDA DATE: Thu 06/24/2004  
PAGE: 1 of 3**

**SUBJECT:** Authorize execution of four 24-month supply agreements with GENERAL ELECTRIC SUPPLY, Austin, TX; TECHLINE, INC., Austin, TX; POWER SUPPLY, Austin, TX; and KBS ELECTRICAL DISTRIBUTORS, Austin, TX, for padmounted transformers in amounts not to exceed \$2,146,291.60, \$461,200.80, \$1,737,170, and \$333,244 respectively, with three 12-month extension options in amounts not to exceed \$1,073,145.80, \$230,600.40, \$868,585.00, and \$166,622.00 respectively, for total agreement amounts not to exceed \$5,365,729, \$1,153,002, \$4,342,925, and \$833,110 respectively.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$584,738.31 is available in the Fiscal Year 2003-2004 Amended Operating Budget of the Electric Utility Department. Funding for the remaining 21 months of the original contract period and extension options is contingent upon available funding in future budgets.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**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:** Low bidder and second low bidder per line item meeting specification.

**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 will establish four annual supply agreements for 18 various sizes of 3-phase padmounted transformers. Three phase padmounted transformers are used for underground power distribution systems. The transformers are designed to be weather protected and tamper resistant. These types of transformers are ideally suited for apartment buildings, schools, hospitals, or industrial sites. These transformers are used to reduce the primary voltage (12,470 volts) down to a secondary voltage (208/240 volts or 277/480 volts) for business customer use.

Transformer bids are evaluated based on the "total owning cost". The total owning cost is the purchase price plus the value of losses (electricity lost during the voltage reduction) over the expected 30-year life-span of the transformer. A mathematical formula was published in the solicitation to calculate the total owning cost offered in each bid.

Transformers are critical items for Austin Energy. Award will be made to the two lowest bidders for each line item in order to assure availability of the goods. The solicitation required that the total owning cost of the second awardee be within 5% of the total owning cost of the low bidder in order to receive an award. The first low bidder will receive 60% of the orders for each line item and the second low bidder



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

**AGENDA ITEM NO.: 36  
AGENDA DATE: Thu 06/24/2004  
PAGE: 2 of 3**

will receive 40% of the orders for each line item.

MBE/WBE Solicited: 3/1

MBE/WBE Bid: 0/0

**BID TABULATION**

IFB No. DC04100014

(Purchase price per item – evaluation based on “total owning cost”)

Description	Annual Qty	GE Supply Austin, TX	Techline Austin, TX	Power Supply Austin, TX	KBS Elec. Austin, TX
75 KVA 208y/120v	13	<u>\$3997.00</u>	<b>\$3687.00</b>	\$4755.00	\$4620.00
75 KVA 480y/277v	17	<u>\$3985.00</u>	<b>\$3619.00</b>	\$4698.00	\$4700.00
150 KVA 208y/120v	25	<b>\$4296.00</b>	<u>\$4378.00</u>	\$4809.00	\$5080.00
150 KVA 480y/277v	7	<u>\$4773.00</u>	<b>\$4400.00</b>	\$4678.00	\$5145.00
300 KVA 208y/120v	25	<b>\$6214.00</b>	<u>\$5931.00</u>	\$5581.00	\$6075.00
300 KVA 80y/277v	29	<b>\$5778.00</b>	\$5868.00	<u>\$5816.00</u>	\$6225.00
500 KVA 208y/120v	13	\$8448.00	\$7690.00	<b>\$7502.00</b>	<u>\$7675.00</u>
500 KVA 480y/277v	20	\$8170.00	\$7462.00	<b>\$6976.00</b>	<u>\$7580.00</u>
750 KVA 208y/120v	4	\$10172.00	\$9982.00	<u>\$9919.00</u>	<b>\$9455.00</b>
750 KV 480y/277v	20	<u>\$9502.00</u>	\$9343.00	<b>\$8634.00</b>	\$9400.00
1000 KVA 480y/277	10	<b>\$11213.00</b>	\$11382.00	\$10607.00	<u>\$10845.00</u>
1000KVA 480y/277	20	<u>\$10857.00</u>	\$11175.00	<b>\$9971.00</b>	\$10475.00
1500KVA 480y/277v	10	<u>\$13822.00</u>	\$13448.00	<b>\$12467.00</b>	\$15840.00
1500 KVA 480y/277v	22	<u>\$13469.00</u>	\$13373.00	<b>\$11847.00</b>	\$15495.00
2000 KVA 480y/277v	7	<b>\$17554.00</b>	<u>\$15485.00</u>	\$17104.00	\$18100.00
2000KVA 480y/277	15	<b>\$16783.00</b>	\$15624.00	<u>\$16500.00</u>	\$17750.00
2500 KVA 480y/277	4	<b>\$17600.00</b>	\$17989.00	<u>\$19075.00</u>	\$21350.00
2500 KVA 480y/277v	8	<b>\$17236.00</b>	\$18319.00	<u>\$18456.00</u>	\$21000.00

Note: Bids were received from Hughes, Priester-Mell & Nicholson, and Pioneer Transformers but were not considered because they did not meet specifications (delivery requirements, technical submissions, incorrect pricing pages).

Items bolded are primary awards (60%). Items underlined are secondary awards (40%). The lowest purchase price listed is not necessarily the lowest “total owning cost”. A mathematical formula that calculates energy load losses was used to determine the total owning cost offered in each bid.

A complete bid tabulation is available in the Purchasing Office.

RCA Serial#: 5615 Date: 06/24/04 Original: Yes

Disposition:

Published:

Adjusted version published:



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

**AGENDA ITEM NO.: 36  
AGENDA DATE: Thu 06/24/2004  
PAGE: 3 of 3**

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Twelve notices were issued including three MBE and one WBE. Nine bids were issued and seven bids were received. MBE/WBE did not respond.
- c. Compared to unit prices in the previous contract established in 1998, prices vary from a reduction of 10.8% to an increase of 3.7%. This diversity is caused by the recent instability of the metals market and individual vendor projections.

**APPROVAL JUSTIFICATION**

- a. Low bidders and 2nd low bidders per line item, meeting specification.
- b. The Electric Utility Department concurs with the award.
- c. Advertised on the Internet.