

**Purchasing Service Agreement
CITY OF AUSTIN**

AGENDA # 36
DATE: 4/20/2006

**RECOMMENDATION FOR
COUNCIL ACTION**

Subject: Authorize execution of a 12-month supply agreement with POWER SUPPLY, Austin, TX, for distribution capacitor banks in an amount not to exceed \$262,340, with three 12-month extension options in an amount not to exceed \$262,340 per extension option, for a total contract amount not to exceed \$1,049,360.

Amount and Source of Funding: Funding in the amount of \$262,340 is available in the Fiscal Year 2005-2006 Approved Capital Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

Fiscal Note: A fiscal note is required.

Requesting Department: Purchasing

For More Information: Dolores Castillo, Sr. Buyer/322-6466

Prior Council Action:

Boards and Commission Action:

Purchasing Language: Low bidder meeting specifications.

MBE/WBE: This contract will be awarded in accordance 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 provide 15 each of 600kVAR and 28 each of 1200 kVAR capacitor banks. Capacitor banks are used to increase effectiveness of installed capacitors which provide Austin Energy a simple and economical means of increasing system capacity, maintaining energy losses, and enhancing power quality. Austin Energy maintenance staff will use these distribution capacitor banks on an as needed basis for new installations.

MBE/WBE Solicited: 1/2 MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Twelve notices were sent including one MBE and two WBEs. Five solicitations were issued. Three bids were received with no response from MBE or WBEs.
- c. The pricing offered represents a 6% increase from the last award in October 2002.

APPROVAL JUSTIFICATION

- a. Low bidder meeting specification.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

4/20/2006

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Austin Energy

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FINANCIAL INFORMATION:

Parent Project Name: **Distribution**
Project Authorization: 2005-2006 Approved Capital Budget

Current Appropriation	\$ 263,597,444.00	
Unencumbered Balance		\$ 10,438,302.20
Amount of This Action		<u>(262,340.00)</u>
Remaining Balance		<u>\$ 10,175,962.20</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: J. E. Pokorny Date: 4/10/2006

BID TABULATION

DC06100008

Capacitor Banks

(2 line items)

<u>Description</u>	<u>QTY/Unit</u>	<u>Priester Supply*</u> <u>Austin, TX</u>	<u>KBS Elect*</u> <u>Austin, TX</u>	<u>Power Supply</u> <u>Austin, TX</u>
600 kVAR	15 each	\$63,631.50	\$67,167.00	\$83,700.00
1200 kVAR	28 each	\$145,304.60	\$153,378.40	\$178,640.00

*Non-responsive. Priester Supply and KBS Electrical Distributors did not meet the requirements of the specification.