

A U S T I N C I T Y C O U N C I L
AGENDA



Thursday, April 27, 2006

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**Purchasing Service Agreement
RECOMMENDATION FOR COUNCIL
ACTION**

ITEM NO: 17

Subject: Authorize execution of a 12-month supply agreement with POWELL ELECTRICAL SYSTEMS, INC. Houston, TX, for 15kV metal-clad switchgear in the amount of \$3,474,144 with three 12-month extension options in the amount not to exceed \$3,474,144 per extension option, for a total contract amount not to exceed \$13,896,576.

Amount and Source of Funding: Funding in the amount of \$3,474,144 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 attached.

For More Information:

Prior Council Action:

Boards and Commission Action:

Purchasing Language: Lowest 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.

Additional Backup Material

(click to open)

**POWELL ELECTRIC BID
TAB**

AE Fiscal Note Powell

This contract will provide up to eight 15kV metal-clad switchgear annually, and will be purchased on an as needed basis. This switchgear consists of a 14 foot long housing with five 15kv circuit breakers and a common indoor aisle. The switchgear will be used throughout Austin Energy's service area at various substations as needed for replacement or new installation for expansion purposes. The switchgear 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 Austin Energy personnel as well as damage to the adjacent equipment which could result in an extended 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: 1/0 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Eleven notices were sent including one MBE. Five solicitations were issued. Three bids were received with no response from the MBE. There are no known WBEs for this commodity.
- c. The bid pricing offered indicates a 6% increase to the last purchase made in August 2005.

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:

4/27/2006

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Austin Energy

SUBJECT: Authorize execution of a 12-month supply agreement with POWELL ELECTRICAL SYSTEM, INC. Houston, TX, for 15kV metal-clad switchgear in the amount of \$3,474,144 with three 12-month extension options in the amount not to exceed \$3,474,144 per extension option, for a total contract amount not to exceed \$13,896,576.

FINANCIAL INFORMATION:

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

Current Appropriation	\$ 68,753,349.00	
Unencumbered Balance		\$ 9,863,703.44
Amount of This Action		<u>(3,474,144.00)</u>
Remaining Balance		<u>\$ 6,389,559.44</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: 4/19/2006