

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

**AGENDA**

# 40

**Thursday, May 25, 2006**

Back

**Purchasing Service Agreement  
RECOMMENDATION FOR COUNCIL ACTION**

**Subject:** Approve ratification of contracts with SIEMENS POWER TRANSMISSION & DISTRIBUTION, Wendell, NC, in the amount not exceed \$81,018 and with POWELL ELECTRICAL SYSTEMS Houston, TX, in an amount not to exceed \$154,590 for the purchase of 18 15kV draw-out circuit breakers.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2005-2006 Approved Capital Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**Additional Backup Material**

(click to open)

- ☐ Siemens Power and Powell Electrical
- ☐ Siemens Power and Powell Electrical CBN Memo
- ☐ Siemens & Powell Fiscal Note

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

**Purchasing Language:** Low bidders of six bids received.

**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.

These contracts replace eighteen air magnetic type feeder breakers with eighteen vacuum feeder circuit breakers at Hicross, Slaughter and Barton Substations. Feeder breakers are the link between the substation power supply and the end users' distribution feeder circuits. This device will open during fault conditions in order to limit damage to upstream equipment in the substation due to high current. These units are being replaced since they have been in service for 25-30 years which is the normal life of service. Additionally, the magnetic type breakers are obsolete and repair parts are not readily available.

The Austin Energy General Manager approved a Critical Business Need on April 7, 2006, for this purchase in order to complete installation prior to the summer peak demand.

**MBE/WBE Solicited:** 4/3 MBE/WBE Bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition
- b. Eleven notices were sent including four MBEs and three WBEs. Eight solicitations were issued. Six bids were received with no response from MBEs/WBEs.
- c. Price comparison is not available since Austin Energy has not purchased these types of circuit breakers in over 10 years.

**APPROVAL JUSTIFICATION**

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

**AGENDA DATE:**

**CITY OF AUSTIN**

**RECOMMENDATION FOR COUNCIL ACTION**

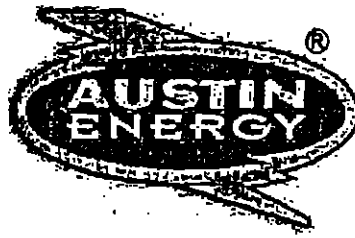
**VENDOR NAME:**

**BID TABULATION**

18 each, 15kV Replace Circuit Breaker  
IFB No. DC06100012

<b><u>BIDDER</u></b>	<b><u>ITEM 1</u></b> <b><u>6 each</u></b>	<b><u>ITEM 2</u></b> <b><u>3 each</u></b>	<b><u>ITEM 3</u></b> <b><u>2 each</u></b>
Powell Electrical Systems Houston, TX	\$91,458	\$41,676	\$112,914
Siemens Power Transmission and Distribution Wendell, NC	\$81,018	\$59,277	\$130,878
Techline, Inc. Austin, TX	\$97,710	\$50,460	\$142,560
Hill Country Electric Austin, TX	\$89,454	\$48,594	\$157,239
Power Supply Austin, TX	No Bid	No Bid	\$222,030
Power Supply Austin, TX	No Bid	No Bid	\$540,900

Bid tabulation is on file in the Purchasing Office.



## MEMORANDUM

**TO:** Mayor & Council Members  
Toby Hammett Futrell, City Manager

**FROM:** Juan Garza, General Manager  
Austin Energy

**DATE:** April 7, 2006

**RE:** Authorization to Purchase Eighteen (18) Replacement Circuit Breakers, as a Critical Business Need

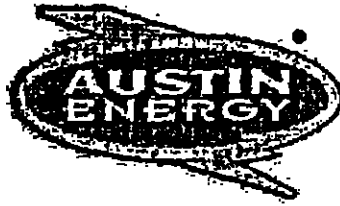
To support the critical customer needs of Freescale, I authorized AE to contract with Power Electrical Systems and Siemens Power as a Critical Business Need, pending Council ratification, to get these breakers replaced prior to the summer months.

Please see attached memo from Cheryl Mele with more details as to why this should be considered a Critical Business Need.

Critical Business Need  
Authorized By:

  
\_\_\_\_\_  
Juan Garza  
General Manager, Austin Energy

Date: 4/11/06



**TO:** Juan Garza, General Manager  
**DATE:** April 5, 2006  
**RE:** Authorization to Purchase Eighteen (18) Replacement Circuit Breakers

When a distribution feeder experiences a fault the breaker at the substation opens to clear the fault. When a breaker does not operate quickly enough, and the transformer has no high side interrupting device, the station protection scheme will clear the entire substation load. In 2005 there were several instances of this occurring in AE system, 3 of which were of significant concern. In one case slow breaker operation at Barton Substation to clear a fault caused by a squirrel on an air switch resulted in a total outage at the Freescale site in Oak Hill for about 30 minutes, and left much of SW Austin without power for several hours, including major schools, a shopping mall and traffic control. In 2 instances HiCross substation distribution bus was cleared, leaving up to eighteen thousand customers in a high traffic and commercial corridor without power on two separate occasions in a 9 month time period due to a fault on one distribution circuit.

The breaker mechanisms in these breakers are air magnetic type and are over 30 years old. This type of breaker has a history of problems typically caused by mechanical components; Austin Energy has moved to vacuum type breakers for newer installations to avoid these situations. In response to the unacceptable performance of the equipment Austin Energy has initiated a project to remove these type of breakers from the system starting in Barton and Slaughter Lane stations to mitigate risk to Freescale Oak Hill plant and at HiCross where performance has impacted high numbers of customers multiple times. Each of the three types of replacements are direct retrofits enabling minimal outage time during the process.

Austin Energy has issued an invitation for bid for the retrofits and received 5 bids; from Powell Electrical Systems, Siemens Power T&D, Hill Country Electric, Techline and Power Supply. Siemens Power T&D is the successful low bidder for Item 1 and Powell Electrical Systems is the successful low bidder meeting specification for Item 2 and Item 3. The earliest possible council date is May 18, 2006 and Powell has quoted 70 days delivery from purchase order, and Siemens has quoted 91 days. Given those facts, the earliest delivery would be July 27, 2006 for the breakers for Barton 789, Slaughter Lane 456 and 789, and HiCross 123 while HiCross 456 and Barton 456 will be August 17, 2006.

To support the critical customer needs at Freescale, Austin Energy would like to get these breakers replaced prior to the summer months. For this reason, I am requesting that we authorize the contract with Powell Electrical Systems and Siemens Power as a critical business need pending Council ratification. This schedule will provide for delivery and installation of the new breakers by July 6, 2006.

A handwritten signature in cursive script, appearing to read "Cheryl Mele".  
Cheryl Mele, P.E.

Sr. Vice President Electric Service Delivery

Concurrence

A handwritten signature in cursive script, appearing to read "Juan Garza".  
Juan Garza  
General Manager

**CIP BUDGET  
Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

5/25/2006

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Austin Energy

**SUBJECT:** Approve ratification of contracts with SIEMENS POWER TRANSMISSION & DISTRIBUTION, Wendell, NC, in the amount not exceed \$81,018 and with POWELL ELECTRICAL SYSTEMS Houston, TX, in an amount not to exceed \$154,590 for the purchase of 18 15kV draw-out circuit breakers.

**FINANCIAL INFORMATION:**

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

Current Appropriation	\$ 68,753,349.00	
Unencumbered Balance		\$ 4,605,364.87
Amount of This Action		<u>(235,608.00)</u>
Remaining Balance		<u>\$ 4,369,756.87</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: 4/28/2006