

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

AGENDA



Thursday, June 22, 2006

#36

Back

**Purchasing Service Agreement
RECOMMENDATION FOR COUNCIL ACTION**

Subject: Authorize award, negotiation and execution of a 12-month service agreement with CENTRAL TX COMMERCIAL A/C & HEATING, INC., Austin, TX, for the rental of two 150 HP fire tube boilers in estimated amount not to exceed \$110,670, with four 12-month extension options in an estimated amount not to exceed \$110,670 for the first extension, and \$100,683 for each of the three remaining extension options, for a total estimated contract amount not to exceed \$523,389.

Amount and Source of Funding: Funding for \$27,667.50 is available in the Fiscal Year 2005-2006 Approved Operating Budget of Austin Energy. Funding for the remaining nine 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.

For More Information: Karen Williams, Buyer II (512) 322-6467

Purchasing Language: Best evaluated proposal of three received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C 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)

No Attachments Available

This contract is for the rental of two 150 HP rental boilers to be used at the Austin Energy Domain Plant. These rental boilers will allow the shutdown of the existing steam system, which will result in energy savings (less natural gas consumed) and consequent rate savings for Domain Site customers. These rental boilers will provide steam for buildings that are scheduled to be demolished within the next 3 to 4 years, perhaps sooner based on the developer's schedule. The need for steam permanently goes away when the buildings are demolished. The temporary boilers allow us to save line heat loss in the currently active centralized system, which will result in less consumption of natural gas. At the current cost of gas annual savings are estimated at around \$150,000.

MBE/WBE solicited: 0/0 MBE/WBE responded: 0/0

PRICE ANALYSIS

a. Adequate competition.

b. Ten notices were sent. Five solicitations were issued. Three proposals were received. There are no known MBEs/WBEs listed for this commodity code.

- c. This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.