

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

AGENDA



Thursday, July 27, 2006

[Back](#) [Print](#)

Purchasing Office RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 53

Subject: Ratify award and execution of a contract with KBS ELECTRICAL DISTRIBUTORS, INC., Austin, TX, for 3-phase pad mount transformers in an amount not to exceed \$184,630.

Amount and Source of Funding: Funding is available in the Fiscal Year 2005-2006 Amended Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required

Additional Backup Material

(click to open)

[KBS BID TAB](#)

[CBN KBS](#)

For More Information: Gabriel Guerrero, Buyer II/322-6060

Purchasing Language: Lowest evaluated bidder meeting specification of four bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D 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 is for the purchase of 26 3-phase pad mount transformers. Three-phase pad mount 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 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 lifespan of the transformer. A mathematical formula was published in the solicitation to calculate the total owning cost offered in each bid.

Austin Energy determined this purchase was a critical business need to enable the timely installation of electrical service to scheduled new commercial business facilities such as; Steiner Ranch Retail Development, Domain, Onion Creek Retail, South Park Meadows, Lake Travis Church of Christ, and Del Valle Independent School District.

MBE/WBE Solicited: 4/1 MBE/WBE Bid: 0/0

PRICE ANALYSIS a. Adequate competition. b. Thirteen notices were sent including four MBEs and one WBE. Five solicitations were issued. Four bids were received, with no response from the MBEs and WBEs. One "No bid" was received. c. The pricing offered represents a 32.6 % increase to the last contract awarded June 2004. The increase is due to price increases in metal and petroleum products. Additionally, the previous prices were based on annual estimates instead of a one time open market purchase.

APPROVAL JUSTIFICATION a. Lowest evaluated bid b. The Purchasing Office concurs with Austin Energy's recommended award. c. Advertised on the Internet.

CITY OF AUSTIN
AGENDA DATE: 7/27/06
VENDOR NAME: KBS ELECTRICAL

BID TABULATION

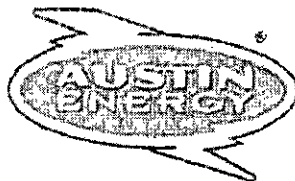
Transformer 3-Phase Padmount
(3 Line Items)

IFB No. GG06100009

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

<u>VENDOR</u>	Item 1 <u>Purchase</u>	<u>Evaluated</u>	Item 2 <u>Purchase</u>	<u>Evaluated</u>	Item 3 <u>Purchase</u>	<u>Evaluated</u>
KBS Electrical Austin, TX	\$89,250.00	\$121,285.39	\$26,396.00	\$34,730.22	\$68,984.00	\$97,898.06
Power Supply Austin, TX	\$99,750.00	\$132,151.74	\$27,720.00	\$36,414.56	\$68,160.00	\$100,156.24
Techline LTD Austin, TX	\$97,706.00	\$132,719.02	\$28,700.00	\$37,724.51	\$80,960.00	\$111,636.37
G.E. Supply Austin, TX	\$120,610.00	\$153,244.27	\$33,900.00	\$43,304.14	\$89,040.00	\$120,103.54

Bid tabulation is on file in the Purchasing Office.



MEMORANDUM

TO: Mayor and Council Members
Toby Hammett Putrell, City Manager

FROM: Juan Garza, General Manager, Austin Energy

DATE: May 19, 2006

SUBJECT: Critical Business Need: 3-phase Transformers to Install Electrical Service to New Commercial Business Facilities

ACTION:

As detailed below, and in accordance with City Council-approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy (AE), the purchase of twenty-six each 3-phase electrical transformers through the open market bid process to enable the timely installation of electrical service to new commercial business facilities. We plan to bring an RCA to Council regarding this issue next month.

BACKGROUND:

City of Austin annual price agreements (C040224 Techline and C040226 KBS) for 3-phase electrical transformers have reached a point where our contractors are unable to deliver transformers in a timely manner. Although Austin Energy and Purchasing staff are working on a solution to the problem, Austin Energy is currently experiencing a shortage of transformers. The referenced transformers are urgently needed in order to meet construction project schedules and are not available through existing contracts.

In the short term Purchasing has completed the open market bid process and will award the purchase to KBS Electrical Distributors of twenty-six each 3-phase electrical transformers for electrical service installation for new commercial business facilities scheduled for September, 2006. These transformers include:

- 14 each 150KVA 208Y/120V
- 4 each 150KVA 480Y/277V
- 8 each 300KVA 208Y/120V
- Total purchase price of \$184,630

If there are any further questions or comments concerning this matter, please feel free to contact me at 322-6002.