

AGENDA



Thursday, May 13, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 18**

Subject: Authorize award and execution of a 12-month requirements supply contract with POWER SUPPLY INC., Austin, TX, for 115kV and 138kV transformer bushings for Austin Energy in an estimated amount not to exceed \$258,150, with four 12-month extension options in an estimated amount not to exceed \$258,150 per extension option, for an estimated total contract amount not to exceed \$1,290,750.

Amount and Source of Funding: Funding in the amount of \$107,563 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining seven 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: Terry Nicholson, Senior Buyer/322-6586

Purchasing Language: Sole Source.

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.

Boards and Commission Action: Recommended by the Electric Utility Commission.

This contract will provide Austin Energy (AE) with a continuous supply of 115kV and 138kV transformer bushings to be used as required to replace bushings that fail periodic maintenance testing. The transformers are used throughout the AE service area and all new transformers purchased after the year 2000 are equipped with three bushings manufactured by ABB. Transformer bushings are a critical component of AE's substation class power transformers since these bushings provide the interface between the high-voltage transmission lines and the transformers. AE's Equipment and Materials Engineering section tracks performance of all existing transformer bushings and continues to monitor the transformer market and industry.

ABB is the original equipment manufacturer of the transformer bushings being purchased and Power Supply Inc. is the only ABB authorized dealer for the sale of these bushings to the City.