

AGENDA



Thursday, May 27, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 35**

Subject: Authorize award and execution of a contract with KBS ELECTRICAL DISTRIBUTORS INC., Austin, TX for the purchase of 20,000 feet each of four-sizes of wire for Austin Energy in an amount not to exceed \$136,200.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy.

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

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

Purchasing Language: Lowest bid meeting specification of seven 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.

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

The contract is for the purchase of 20,000 feet of four different sizes of wires (transmission line conductor) for a total of 80,000 feet used by Austin Energy's Transmission Construction personnel. These high current carrying conductors carry currents up to 1500 Amps or more at 138kV between substation.

This conductor will be stocked at Austin Energy's Kramer Lane warehouse to be issued for general maintenance and construction projects on an as needed basis.

MBE/WBE Solicited: 5/3 MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred forty-five notices were sent, including five MBEs and three WBEs. Seven bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 16% increase to the last contract award made in May 2009. The increase is due to higher prices of raw material including aluminum.

APPROVAL JUSTIFICATION

- a. Lowest bid received meeting specifications. KBS Electrical was not the previous provider for this wire.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.