

AGENDA



Thursday, July 29, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 52**

Subject: Authorize award, negotiation, and execution of a 24-month requirements supply contract with IVES EQUIPMENT CORP., King of Prussia, PA for valve replacement parts for Sand Hill Energy Center in an estimated amount not to exceed \$350,000, with two 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$750,000.

Amount and Source of Funding: Funding in the amount of \$29,167 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining 22 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: Dolores Castillo, Sr. Buyer/322-6466

Purchasing Language: Single 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 replacement parts for critical combined cycle control valves for the steam turbine installed in Unit 5 at the Sand Hill Energy Center. Parts included are spindles, gaskets, and piston rings to be used on bypass valves, recirculation valves, and condensate valves. The valves control high pressure and high temperature steam flow through the combined cycle system. In order for the valves to work properly, the replacement parts must be manufactured with extremely tight tolerances best accomplished by the original equipment manufacturer.

The valves were manufactured by Welland & Tuxhorn Company in Germany. Ives Equipment Corp. is the only authorized parts distributor in the United States.