

AGENDA



Thursday, August 19, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 18

Subject: Authorize award and execution of two 24-month requirements service contracts with FURMANITE AMERICA, INC., La Porte, TX, and TEAM INDUSTRIAL SERVICES, INC., Corpus Christi, TX, for valve repair services at Austin Energy power plants in an estimated combined amount not to exceed \$400,000, with two 24-month extension options in an estimated combined amount not to exceed \$400,000 per extension option, for a total estimated combined contract amount not to exceed \$1,200,000.

Amount and Source of Funding: Funding in the amount of \$33,333 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: Shawn Harris, Supervising Sr. Buyer/505-7351

Purchasing Language: Best two evaluated bids of six bids 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.

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

This contract is for the repair, maintenance, and testing of various types of valves at Austin Energy power plants. Valves listed in the specification include pressure relief valves, diaphragm actuated control valves, Limitorque valve operators, motorized and manual gate valves, globe valves, ball valves, butterfly valves, angle valves and check valves. Valves control high pressure, temperature, and other critical process fluids used in the production of electricity, and require periodic inspection and testing.

Services provided under this contract include, but are not limited to: labor, equipment, incidentals and consumables, replacement parts, disassembly, inspection, repair, machining, re-assembly, and testing. Multiple contractors are necessary to assure timely response and expertise. The solicitation issued states that as services are required, each successful contractor will be given the opportunity to submit pricing for the project. The low bidder meeting the requirements of each individual project will be awarded the work for that project.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Forty-seven notices were sent, including one MBE. There are no known WBEs available for this service. Six bids were received, with no response from the WBE.
- c. The pricing offered represents a 4% decrease from the last contract award made in June 2006.

APPROVAL JUSTIFICATION

- a. Best two evaluated bids received. Furmanite America, Inc. and Team Industrial Services, Inc. were not the previous providers for these services.
- b. The Purchasing Office concurs with Austin Energy's recommended awards.
- c. Advertised on the Internet.