

AGENDA



Thursday, August 19, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 22

Subject: Authorize award and execution of a 24-month requirements supply contract with TEXAS ELECTRIC COOPERATIVES, Georgetown, TX, for shunt capacitor banks in an estimated amount not to exceed \$553,045, with three 12-month extension options in an estimated amount not to exceed \$276,523 per extension option, for a total estimated contract amount not to exceed \$1,382,614.

Amount and Source of Funding: Funding in the amount of \$46,087 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: Terry Nicholson, Senior Buyer/322-6586

Purchasing Language: Lowest bid of five 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.

This contract will provide Austin Energy with a continuous supply of shunt capacitor banks used to stabilize the voltage of the power system. The shunt capacitor banks are used Austin Energy's 69 kV and 138 kV substations and operated during times of high load.

Austin Energy currently has 18 shunt capacitor banks in the transmission system. The new shunt capacitor banks will work with existing ones to stabilize the system voltage. Without the shunt capacitors, the system voltage could drop below acceptable levels and potentially cause damage to equipment.

MBE/WBE solicited: 8/8

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Two hundred sixteen notices were sent, including eight MBEs and eight WBEs. Five bids were received, with no response from the MBE/WBE's.
- c. This is the first contract for the supply of these particular type of shunt capacitor banks; therefore, there is no pricing history available for like items.

APPROVAL JUSTIFICATION

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