

AGENDA



Thursday, September 23, 2010

Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION

Item No. 44

Subject: Authorize award and execution of a contract with HYDRATIGHT LIMITED, Antigo, WI, for the purchase of turbine engine maintenance tools for use at Decker Creek Power Station in an amount not to exceed \$164,248.

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

Fiscal Note: A fiscal note is attached.

For More Information: Shawn Harris, Sr. Supervising Buyer, 505-7351

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: To be reviewed by the Electric Utility Commission on September 20, 2010.

This contract is for the purchase of a set of specialized maintenance tools to be used to perform complete overhauls on the eight existing Pratt & Whitney gas turbine engines in operation at Austin Energy's Decker Creek Power Station.

These tools are specifically designed, sized, and manufactured to meet original equipment manufacturer or OEM specifications for these turbines. Decker Mechanical Maintenance employees will receive training in the use of these tools in order to perform overhauls internally. The cost of hiring a contractor to perform one overhaul could exceed \$380,000 and Decker Creek Power Station could potentially require seven overhauls within the next four years. Purchasing the tools will allow Austin Energy's own trained personnel to perform overhauls resulting in significant cost savings, as well as reducing the time an engine is out of service for planned maintenance.

Hydratight Limited, who only sells direct, was commissioned by Pratt & Whitney as the only manufacturer of these tools specifically designed for these gas turbines.