

AGENDA



Thursday, December 9, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 31

Subject: Authorize award, negotiation, and execution of a contract with DONALDSON COMPANY, INC., Minneapolis, MN, for the purchase of intake air filters for combustion turbines in an amount not to exceed \$54,847.24.

Amount and Source of Funding: Funding is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy.

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: Sole bid received.

MBE/WBE: This purchase 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 is for the purchase of 972 filter cartridges in multiple sizes and 578 gasket and washer assemblies used to replace the intake air filters for Unit 5A, a General Electric combustion turbine located at Austin Energy's Sand Hill Energy Center. These filters prevent dirt and other contamination from reaching the gas turbine engine. Proper filtration will result in better engine performance and higher engine efficiency.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Sole bid. This is a very specialized part, therefore, there are a very limited number of vendors capable of providing it.
- b. Sixty notices were sent. There are no known MBEs/WBEs available for this commodity. One bid was received.
- c. The pricing offered represents a 45% increase to the last purchase made in October 2007. Pricing is higher due to the greater efficiency of these filters which will keep the engine cleaner and result in better performance.

APPROVAL JUSTIFICATION

- a. Sole bid received. Donaldson Co. has previously supplied intake filters. This is the first supply contract for these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.