

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

62977

Agenda Number

43.

Meeting Date:

October 6, 2016

Department:

Purchasing

Subject

Authorize negotiation and execution of two 24-month contracts with MEGAWATT MACHINE SERVICES, LLC and SETPOINT INTEGRATED SOLUTIONS, INC., or one of the other qualified offerors to Request For Proposals CAK0003REBID, to provide power plant valve repair, replacement, testing, and maintenance, in an amount not to exceed \$1,000,000, with two 24-month extension options in an amount not to exceed \$750,000 per extension option, for a total contract amount not to exceed \$2,500,000.

Amount and Source of Funding

Funding in the amount of \$500,000 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Energy. Funding for the remaining 12 months of the original contract period and extension options are contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is not required.

**Purchasing
Language:**

The Purchasing Office issued a Request for Proposals (RFP) CAK0003REBID for these goods and services on May 23, 2016 which closed on June 28, 2016 with five offers received. The recommended offers are the best evaluated offers submitted by responsible offerors. Additional information on the solicitation is included below the line. The recommended offerors are not the current provider for these goods and services.

**Prior Council
Action:**



**For More
Information:**

Cheryl A. Kaufman, Senior Buyer, 512-505-3545

**Boards and
Commission
Action:**

September 19, 2016 - Unanimously recommended by the Electric Utility Commission on a 10-0 vote with Commissioner Roa absent.

Related Items:

MBE / WBE:

This solicitation was reviewed for subcontracting opportunities in accordance with City Code

Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.

Additional Backup Information

The contracts provide labor, materials, and expertise for the repair of all power plant valves in order to facilitate emergency and maintenance activities at Austin Energy power plants. Valve repair is used on an as-needed basis to repair all types of valves in the power plants. Many of the valves are very costly and require specialized equipment and training to repair.

Multiple contractors are required to ensure the ability to perform each scope of work in a timely manner. As projects are identified, each contractor will be given the opportunity to submit pricing. The contractor submitting the lowest quote that meets the schedule and other requirements of the individual project will be awarded the work.

An evaluation team with expertise in this area evaluated the offers and scored Megawatt Machine Services, LLC and Setpoint Integrated Solutions, Inc. as the best to provide these services based on technical solution and program, experience, and qualifications, safety, total evaluated cost, and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror(s), negotiations will cease and staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

The current contract expires November 23, 2016, therefore, a new contract is required to ensure that the maintenance plans of the power plants stay on schedule.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

MEGAWATT MACHINE SERVICES, LLC and SETPOINT INTEGRATED SOLUTIONS, INC.

	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	24	\$ 1,000,000	n/a	n/a
Extension Option 1	24	\$ 750,000	n/a	n/a
Extension Option 2	24	\$ 750,000	n/a	n/a
TOTAL	72	\$ 2,500,000	\$ -	\$ -