



Recommendation for Action

File #: 19-2935, **Agenda Item #:** 30.

10/3/2019

Posting Language

Authorize negotiation and execution of a multi-term contract with Power Systems Manufacturing, LLC, to provide gas turbine generator parts and maintenance services, for up to nine years for a total contract amount not to exceed \$40,000,000.

(Note: 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 no subcontracting opportunities; therefore, no subcontracting goals were established. However, the recommended contractor identified subcontracting opportunities).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$2,444,444 is available in the Fiscal Year 2019-2020 Operating Budget of Austin Energy. Funding in the amount of \$18,000,000 is available in the 2019-2020 Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued a Request for Proposals (RFP) 1100 TVN3001 for these goods and services. The solicitation issued on February 25, 2019 and it closed on April 18, 2019. Of the two offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=130014)
<https://www.austintexas.gov/financeonline/account_services/solicitation/solicitation_details.cfm?sid=130014>.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Terry V. Nicholson, at 512-322-6586 or Terry.Nicholson@austintexas.gov <<mailto:Terry.Nicholson@austintexas.gov>>.

Council Committee, Boards and Commission Action:

September 9, 2019 - Recommended by the Electric Utility Commission on a 6-0-1 vote, with Commissioner Hadden abstaining and Commissioners Boyle, Funkhouser, Hopkins and Wray absent.

Additional Backup Information:

The contract will provide Austin Energy with parts and maintenance for the gas turbine and associated

generator on the combined cycle unit at Sand Hill Energy Center. The unit is a General Electric industrial gas turbine that requires replacement parts and regular maintenance to ensure reliability and equipment safety. The contractor will provide planned maintenance which includes disassembly, installation, inspection, repair and replacement of major parts which have reached the end of service life. The contractor will also provide maintenance, inspections of the associated generator, and planned maintenance as required for all components of the combined cycle unit.

This contract will replace the existing contract which expires September 30, 2019. The contractor is the current provider for the goods and services.

An evaluation team with expertise in this area evaluated the offers and scored Power Systems Manufacturing, LLC as the best to provide these services based on technical plan completeness of the proposal, including identification of proposed deliverables, acceptance testing, adherence to schedule, demonstrated applicable experience and personnel qualifications, total evaluated price, service-disabled veteran business enterprise, and local business presence.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	7 yrs.	\$32,000,000
Optional Extension 1	1 yr.	\$ 4,000,000
Optional Extension 2	1 yr.	\$ 4,000,000
TOTAL	9 yrs.	\$40,000,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.