



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 26
AGENDA DATE: Thu 03/24/2005
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SUBJECT: Authorize execution of a contract with MDA INSULATION, INCORPORATED, Odessa, TX, (MBE/MH-100%), for heat trace and insulation of Decker Unit 2 boiler in an amount not to exceed \$68,499.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Amended Operating Budget of Austin Energy.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing
DEPARTMENT: for Austin Energy;

**DIRECTOR'S
AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Martha L. Gaines, Buyer II/322-6583

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid of two bids received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 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.

This contract is for heat tracing and insulation on Decker Unit 2 boiler. Heat tracing is electrical wiring that is run along side the boiler pipes to keep them warm. Insulation and heat tracing are necessary to protect boiler drain lines from extreme freezing temperatures. If this service was not provided, the boiler would have to be drained when the unit is out of service in cold weather. The boiler holds 50,000 gallons of water with no flow, therefore, if the boiler is not protected when extreme freezing temperatures occur the pipes would freeze and could burst.

MBE/WBE solicited: 2/0

MBE/WBE bid: 0/0



**BID TABULATION
Heat Tracing and Insulation
IFB No. MG05300007**

<u>Vendor</u>	<u>Total Bid</u>
MDA Insulation, Incorporated (MBE/MH) Odessa, TX	\$68,499
Gregg Industrial Insulators Longview, TX	\$73,384

PRICE ANALYSIS

- a. Adequate competition.
- b. Eight notices were sent including two MBEs. There are no WBEs listed for this commodity code. Two bids were received. One MBE submitted a bid.
- c. *There is no recent purchase history for this specific project. A complete system was installed at Sand Hill Energy in 2004 in an amount of \$136,000.*

APPROVAL JUSTIFICATION

- a. Low bid.
- b. Austin Energy concurs with the recommended award.
- c. Advertised on the Internet.