

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	13097	Agenda Number	51.
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Meeting Date:	March 22, 2012
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Department:	Purchasing
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Subject

Authorize award and execution of a 24-month requirements supply contract with POWELL ELECTRICAL SYSTEMS, INC. for the purchase of 15kV Arc-Resistant Switchgear for Austin Energy in an estimated amount not to exceed \$12,347,692, with two 24-month extension options in an estimated amount not to exceed \$12,347,692 per extension option, for a total estimated contract amount not to exceed \$37,043,076.

Amount and Source of Funding

Funding in the amount of \$3,086,923 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining eighteen months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Lowest bid meeting specifications.
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Prior Council Action:	
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For More Information:	Gage Loots, Buyer II / 512-322-6118
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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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.
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Related Items:	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
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Additional Backup Information

This contract will provide Austin Energy (AE) with 15kV Arc-Resistant Switchgear to be purchased on an as-needed basis. Each switchgear unit is an enclosure containing circuit breakers as well as various protective equipment such as relays and potential transformers. The switchgear units will be used throughout AE's service area to replace outdated units or complete installations to expand existing substations or construct new substations.

Switchgear connects power transformers to the distribution system, delivering power to AE's customers. In addition, in the event of a short circuit in the distribution system, the switchgear will disconnect the transformer from the distribution system to protect the transformer from damage. This switchgear is classified as "Type 2 Arc-Resistant;" a specialized design providing protection from explosion at the front, back and sides of the switchgear housing. It is required to prevent injury to AE personnel, as well as damage to the adjacent equipment which could result in power outages.

MBE/WBE solicited: 1/0

MBE/WBE bid: 0/0

BID TABULATION

IFB No. GAL0031

15kV Arc-Resistant Switchgear
(3 – line items)

<u>Vendor</u>	<u>Total Bid Amount</u> □ <u>12 months</u>
Powell Electrical Systems, Inc. Houston, TX	\$6,173,846.00
Border States Electric Supply of Texas, Inc Austin, TX	\$6,694,822.00
Apfelbaum Industrial, Inc. El Paso, TX	\$9,471,550.00
ABB, Inc. Lake Mary, FL	\$4,884,887.00*
PACS Industries, Inc. Great Neck, NY	**

* Partial bid, only bid on one of three items and was not the lowest bid on that item.

** Non-responsive, products offered did not meet specifications as required by the solicitation.

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- Adequate competition.
- One hundred three notices were sent, including one MBE. There are no known WBEs for this commodity code.

Five bids were received, with no response from the MBE.

- c. The pricing offered represents an 18.6% increase from the last contract award made May 2006. The price increase is supported by the Producer Price Index (PPI) for switchgear manufacturing; which has increased 19.6% since the previous contract's prices were established.

APPROVAL JUSTIFICATION

- a. Lowest bid meeting specifications. Powell Electrical Systems, Inc. is the current provider of these goods.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.