

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:		Agenda Number	15.
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Meeting Date:	April 12, 2012
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Department:	Purchasing
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Subject

Authorize award and execution of a contract with HOWARD INDUSTRIES, INC, for the purchase and installation of two isolation power transformers for Austin Energy in an amount not to exceed \$992,436.

Amount and Source of Funding

Funding is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy.

Fiscal Note

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

Purchasing Language:	Lowest responsive bid.
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Prior Council Action:	
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For More Information:	Gabriel Guerrero, Buyer II /322-6060
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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Related Items:	
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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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Additional Backup Information

This contract is for the purchase and installation of two isolation power transformers. These transformers are required to replace the existing undersized transformers located at the Mueller Energy Center (MEC) to increase the reliability of electrical service and chilled water delivery to the Dell Children's Medical Center of Central Texas, Strictly Pediatrics Medical Office Building, Ronald McDonald House, Dell Pediatric Research Institute and Seton Headquarters.

Each transformer must be capable of providing 100% of the power requirements of the hospital and MEC should the gas turbine be unavailable. The existing transformers no longer meet this requirement with the expansion of the hospital and chilled water load growth for MEC.

Transformer bids are evaluated based on the "total owning cost". The total owning cost is the purchase price plus the value of losses (electricity lost during the voltage reduction) over the expected 30-year lifespan of the transformer. A mathematical formula was published in the solicitation to calculate the total owning cost offered in each bid.

MBE/WBE Solicited: 1/0

MBE/WBE Bid: 0/0

BID TABULATION

IFB No. GGU0101

Isolation Power Transformers (2 each)

(purchase price per item – evaluation based on "total owning cost")

<u>VENDOR</u>	<u>Unit Price</u>	<u>Extended Price</u>	<u>Evaluated Unit Price*</u>	<u>Evaluated Extended Price*</u>
Howard Industries Inc. Laurel, MS	*\$483,718.00	\$967,436.00	\$673,784.60	\$1,347,569.20
Delta Star, Inc. San Carlos, CA	\$499,750.00	\$999,500.00	\$722,778.00	\$1,445,556.00
ABB, Inc. Power Supply Austin, TX	\$498,942.00	\$997,884.00	\$741,702.00	\$1,483,404.00
WEG Elec. Corp. Duluth, GA	\$595,880.00	\$1,191,760.00	\$772,195.20	\$1,544,390.40
Texas Electric Cooperatives Georgetown, TX	\$604,750.00	\$1,209,500.00	\$826,990.00	\$1,653,980.00
Eaton Corporation Austin, TX	\$571,135.00	\$1,142,270	\$861,925.00	\$1,723,850.00
Waukesha Electric Systems, Inc. Waukesha, WI	\$835,355.00	\$1,670,710.00	\$1,027,634.00	\$2,055,268.00

CG Power Systems USA Inc. **
Washington, MO

Fortune Electric **
Hermitage, PA

* The Evaluated Price is the Unit Price plus the cost of losses (electricity lost during the voltage reduction) over the 30-year life span of the transformer. The formula was published in the solicitation.

** Non-responsive, did not meet the minimum requirements of the specification.

This contract will be awarded in an amount equal to the total bid (not the total evaluated bid) plus an additional \$25,000 to purchase spare parts and training courses as needed. A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Ninety-two notices were sent including one MBE. There are no known WBEs for this commodity code. Nine bids were received with no response from the MBE.
- c. This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- a. Lowest bid received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.