

**AGENDA**



**Recommendation for Council Action (Purchasing)**

<b>Austin City Council</b>	<b>Item ID:</b>	23684	<b>Agenda Number</b>	51.
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<b>Meeting Date:</b>	April 25, 2013
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<b>Department:</b>	Purchasing
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**Subject**

Authorize negotiation and execution of Amendment No. 3 to a contract with SOLAR TURBINES, INC., for an equipment and maintenance agreement for Austin Energy's Mueller Energy Center, to increase the three remaining extensions in an amount not to exceed \$60,000 each, for a revised total contract amount not to exceed \$860,100.

**Amount and Source of Funding**

Funding in the amount of \$60,000 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining two extension options is contingent upon available funding in future budgets.

**Fiscal Note**

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

<b>Purchasing Language:</b>	Contract Amendment.
<b>Prior Council Action:</b>	April 7, 2011 - Approved original contract
<b>For More Information:</b>	Oralia Jones, Senior Buyer / 512-322-6594
<b>Boards and Commission Action:</b>	April 15, 2013 - Unanimously approved by the Electric Utility Commission on a vote of 7-0.
<b>Related Items:</b>	
<b>MBE / WBE:</b>	This contract was awarded in compliance with City Code Chapter 2-9C (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

**Additional Backup Information**

On April 7, 2011, Council approved the award of a contract with Solar Turbines, Inc. in an estimated amount not to exceed \$624,200 for an annual equipment and health maintenance agreement for the Solar Turbines Inc. Mercury 50 gas turbine at Austin Energy's Mueller Energy Center. The agreement provides remote diagnostics, scheduled and unscheduled engine maintenance and repairs, and qualifies Austin Energy to receive a discounted overhaul when that service is due. The maintenance work supplements the work performed by Austin Energy staff at the plant to help ensure the turbine operates reliability and efficiently. This agreement also provides for field service, parts and training for Austin Energy personnel if required.

Solar Turbines Inc. is the sole source provider and original equipment manufacturer (OEM) for replacement parts and does not have any authorized distributors for the work performed under this agreement.

The proposed Amendment No. 3 will increase funding for parts and service for the gas turbine, for the current contract period and the remaining option periods. The additional funding is needed to allow for the parts and services required for unplanned maintenance of the turbine.

Contract Summary

Action	Description	Amount
Original Contract approved 4/7/2011	Council approved original 12-month contract with four 12-month extension options	\$624,200
Amendment No. 1	Exercise the first extension option	\$0
Amendment No. 2	Administrative Increase	\$55,900
Proposed Amendment No. 3	Increase funding for Unscheduled Parts and Service by \$60,000 for each of the three remaining extension options	\$180,000
Revised Total Estimated Contract Amount		\$860,100