

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	25700	Agenda Number	67.
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Meeting Date:	August 8, 2013
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Department:	Purchasing
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Subject

Approve ratification of a contract with AFFILIATED POWER SERVICES LP to provide repair services for the heat recovery steam generator at Austin's Energy's Sand Hill Energy Center in an amount not to exceed \$729,015.

Amount and Source of Funding

Funding is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy.

Fiscal Note

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

Purchasing Language:	Critical Business Need
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Prior Council Action:	
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For More Information:	Terry Nicholson, Senior Buyer, 512-322-6586
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Boards and Commission Action:	July 15, 2013 - Approved by the Electric Utility Commission on a 5-0 vote.
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Related Items:	
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MBE / WBE:	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 contract.
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Additional Backup Information

This contract with Affiliated Power Services LP, Houston, TX, is for emergency repairs required on the Combined Cycle Unit Heat Recovery Steam Generator at Sand Hill Energy Center. The Heat Recovery Steam Generator is a boiler that uses the gas turbine exhaust to produce steam which, in turn, drives the steam turbine.

During an inspection, there was Flow Accelerated Corrosion damage at the upper headers rows. Without the Sand Hill Combined Cycle Unit in operational condition, Austin Energy is without 307 megawatts of its most efficient and low-emissions gas-fired generating unit. A contractor with specialized welding skills necessary to complete the task was required immediately to make repairs and return the unit to service in time for summer peak; therefore, the purchase was declared a critical business need.

Upon subsequent inspection, the vent piping was found to be bent causing the headers to be lower than normal; therefore, this equipment could not be reused and replacement was required. The total contract amount represents the amount for the original repairs of \$668,690 plus the cost for the additional repairs and materials of \$60,325 to replace the piping. The work was completed and the unit was successfully returned to service in late June.