

## AGENDA



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

39761

Agenda Number

&lt;ITEM\_OUTLINE&gt;

Meeting Date:

January 29, 2015

Department:

Purchasing

### Subject

Authorize award and execution of three 36-month requirements supply contracts with POWER SUPPLY INC., PRIESTER-MELL & NICHOLSON INC., and KBS ELECTRICAL DISTRIBUTORS INC. for the purchase of three-phase, pad-mounted distribution transformers for Austin Energy in an amount not to exceed \$14,006,754 each and combined with three 12-month extension options in an amount not to exceed \$4,668,918 per extension option each and combined, for a total contract amount not to exceed \$28,013,508 each and combined.

### Amount and Source of Funding

Funding in the amount of \$3,112,612 is available in the Fiscal Year 2014-2015 Operating Budget of Austin Energy. Funding for the remaining 32 months of the original contract period and extension options are contingent upon available funding in future budgets.

### Fiscal Note

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

**Purchasing  
Language:**

Lowest bids meeting specifications.

**Prior Council  
Action:**

**For More  
Information:**

Gabriel Guerrero, Buyer II, 512-322-6060

**Boards and  
Commission  
Action:**

January 26, 2015 - To be reviewed by the Electric Utility Commission.

**Related Items:**

**MBE / WBE:**

This contract will be awarded in compliance with City Code Chapter 2-9D 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

These contracts will provide Austin Energy with various sizes of three-phase, pad-mounted transformers to be purchased on an as-needed basis for underground distribution electrical facilities. These transformers are used to reduce the primary voltage from 12,470 volts to a lower secondary voltage of 208/240 for commercial customer use and are designed to be weather and tamper resistant. This type of transformer is ideally suited for use at apartment buildings, schools, hospitals or industrial sites.

These transformers will be used for inventory supply to replenish stock at Austin Energy's Decker Transformer Shop warehouse for immediate issue to construction and maintenance crews.

**BID TABULATION**

IFB No. GGU0132REBID

3-Phase, Pad-mounted Distribution Transformers Annual Price Agreement  
(18 line items)

VENDOR	Number of Line Items Bid	Number of Line Items Awarded	Total Annual Award	Total Annual Evaluated Cost*
<b>Power Supply Inc. Austin, TX</b>	<b>18</b>	<b>9</b>	<b>\$2,692,095</b>	<b>\$5,596,820</b>
<b>Priester-Mell &amp; Nicholson Austin, TX</b>	<b>18</b>	<b>8</b>	<b>\$1,516,287</b>	<b>\$3,342,661</b>
<b>KBS Electrical Distributors Austin, TX</b>	<b>10</b>	<b>1</b>	<b>\$460,536</b>	<b>\$1,043,409</b>
Techline Inc. Austin, TX	18	0	N/A	N/A
Texas Electric Cooperatives Austin, TX	**	**	**	**

\* 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.

\*\* Non-responsive. Offered products did not meet specifications as required per the solicitation.

A complete bid tabulation is on file in the Purchasing Office and is on the City's, FSD Purchasing website.

**PRICE ANALYSIS**

- Adequate competition.
- 192 notices were sent, including five MBEs. There are no known WBEs available for this commodity. Five bids were received, with no response from the MBEs/WBEs.
- The pricing offered represents a 5.7% price decrease to the last contract awarded in June of 2009.

**APPROVAL JUSTIFICATION**

- Lowest bids meeting specification. Priester-Mell & Nicholson is one of the current providers of these products.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.