

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	56271	Agenda Number	19.
Meeting Date:	April 21, 2016			
Department:	Purchasing			
Subject				
Authorize award and execution of a contract with TEXAS ELECTRIC COOPERATIVES for the purchase of three-phase, pad-mounted distribution transformers for a total contract amount not to exceed \$136,578.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	Lowest bid meeting specifications.			
Prior Council Action:				
For More Information:	Gabriel Guerrero, Buyer II, 512-322-6060			
Boards and Commission Action:	March 21, 2016 - Recommended by the Electric Utility Commission on a 10-0 vote with Commissioner Norris absent.			
Related Items:				
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.			
Additional Backup Information				

The contract will provide Austin Energy with three, three-phase, pad-mounted, power distribution transformers to be used 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 volts for commercial customer use. This type of transformer is weather and tamper resistant, and ideally suited for use at apartment buildings, schools, hospitals or industrial sites.

MBE/WBE Solicited: 4/0

MBE/WBE Bid: 0/0

**BID TABULATION**

IFB GGU0150REBID

3-Phase, Pad-mounted Distribution Transformers

(1 line item – qty. 3)

<u>Vendor</u>	<u>Unit Price</u>	<u>Extended Price</u>	<u>Evaluated Cost (Each)*</u>	<u>Total Evaluated Cost*</u>
Texas Electric Cooperatives Austin, TX	\$45,526	\$136,578	\$107,863	\$323,589
PanAmerica Supply, Inc. Katy, TX	\$45,800	\$137,400	\$112,715	\$338,145
Priester-Mell & Nicholson Austin, TX	\$55,700	\$167,100	\$124,731	\$374,193
KBS Electrical Distributors Austin, TX	**	**	**	**
Techline Inc. 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 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 solicitation package, including bid tabulation, is on file with the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

#### **PRICE ANALYSIS**

- a. Adequate competition.
- b. 205 notices were sent, including four MBEs and there are no known WBEs available for this commodity. Five bids were received with no response from the MBEs. Multiple notices may be sent to the same vendor; e.g. one vendor may have multiple email addresses/fax numbers.
- c. This is the first purchase of its type: therefore, there is no pricing history available.

#### **APPROVAL JUSTIFICATION**

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