



## Recommendation for Action

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**File #:** 20-2686, **Agenda Item #:** 62.

8/27/2020

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### **Posting Language**

Approve ratification of a contract with Atlas Copco Compressors LLC, for preventative maintenance and repair services for air compressors, in the amount of \$30,686.

(Note: This contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

### **Lead Department**

Purchasing Office.

### **Client Department(s)**

Austin Energy.

### **Fiscal Note**

Funding in the amount of \$22,521 was available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy. Funding in the amount of \$8,165 was available in the Fiscal Year 2019-2020 Operating Budget of Austin Energy.

### **Purchasing Language:**

Ratification.

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) <<mailto:AgendaOffice@austintexas.gov>> or to Julia Finn, at 512-322-6060 or [Julia.Finn@austintexas.gov](mailto:Julia.Finn@austintexas.gov) <<mailto:Julia.Finn@austintexas.gov>>.

### **Council Committee, Boards and Commission Action:**

August 10, 2020 - Recommended by the Electric Utility Commission on a 7-0 vote, with Commissioners Hadden and Stone off the dais, Commissioner Wray absent and one vacancy.

### **Additional Backup Information:**

The contract is for preventative maintenance for air compressors at Sand Hill Energy Center necessary to operate valves for the generators and keep the plant running at capacity.

The forecast was \$50,000 annually for regular preventative maintenance and repairs. Due to the dollar amount, the contract was awarded under the City Manager's authority and did not require Council approval.

The department erroneously spent \$22,521 over City Manager's authority in Fiscal Year 2018-2019. In Fiscal Year 2019-2020, Austin Energy spent \$8,165 over City Manager's authority for a part that was necessary to

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maintain operations at the plant. An updated contract that will better reflect future needs, such as emergency repairs and overhauls, will be presented for Council consideration in the coming months.

<b>Fiscal Year</b>	<b>Estimated</b>	<b>Spend</b>	<b>Comments</b>
Year 1	\$50,000	\$25,855	Spend was within City Manager's authority
Year 2	\$50,000	\$33,593	
Year 3	\$50,000	\$50,520	
Year 4	\$50,000	\$83,521	\$83,520 (exceeded the City Manager's FY19 Authority of \$61,000, by \$22,521)
Year 5	\$50,000	\$66,742	\$69,165 (exceeded the City Manager's FY20 Authority of \$61,000, by \$8,165)
Total	\$250,000	\$260,231	Ratification amount for FY19 and FY20 is \$30,686

**Strategic Outcome(s):**

Government That Works for All.