



Recommendation for Action

File #: 23-1247, Agenda Item #: 7.

3/9/2023

Posting Language

Authorize negotiation and execution of two contracts for voltage transformers with Priester-Mell & Nicholson, Inc. and Wesco Distribution, Inc. d/b/a Hi-Line Utility Supply Co., LLC a/k/a Power Supply, each for up to five years for total contract amounts not to exceed \$8,000,000, divided between the contractors.

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

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding is available in the Capital Budget of Austin Energy.

Purchasing Language:

Austin Energy is designating this purchase as a Critical Business Need in accordance with Senate Bill 7, as adopted by the City as Resolution No. 040610-02.

For More Information:

Inquiries should be directed to DeJuan Brown, at 512-974-2670 or DeJuan.Brown@austintexas.gov <<mailto:DeJuan.Brown@austintexas.gov>>.

Council Committee, Boards and Commission Action:

February 13, 2023 - The Electric Utility Commission meeting was cancelled.

Additional Backup Information:

These contracts will provide voltage transformers for Austin Energy (AE). Voltage transformers are devices used to measure electric system voltage at a safe level. Voltage transformers are used by protection systems at AE substations to protect electrical systems from faults and disturbances. This contract will provide AE with voltage transformers to replace aging equipment and meet new demand.

In recent years, AE has experienced vulnerabilities brought on by the COVID-19 pandemic and geopolitical landscape. AE's operations were impacted by the unpredictability of production shut-downs, raw material shortages, and skyrocketing and delayed shipping and tariffs. These factors led to schedule changes in AE's capital improvement program projects, the inability to quickly respond to voltage transformer emergencies, as well as increased costs. As a preventative strategy to ensure reliable supply of these critical items, AE declared a Critical Business Need to contract with contractors who have demonstrated satisfactory performance.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	2 yrs.	\$3,200,000
Optional Extension 1	1 yr.	\$1,600,000
Optional Extension 2	1 yr.	\$1,600,000
Optional Extension 3	1 yr.	\$1,600,000
TOTAL	5 yrs.	\$8,000,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Government that Works for All.