



Recommendation for Action

File #: 23-1925, **Agenda Item #:** 29.

6/1/2023

Posting Language

Authorize negotiation and execution of a contract for network transformers with KBS Electrical Distributors Inc., for up to five years for a total contract amount not to exceed \$70,000,000.

[Note: 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 required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established].

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$4,666,667 is available in the Fiscal Year 2022-2023 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

The Financial Services Department issued a Request for Proposals (RFP) 1100 MEA3006 for these goods. The solicitation was issued on November 28, 2022, and closed on January 5, 2023. Of the four offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: [Solicitation Documents](#).

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:

May 8, 2023 - Recommended by the Electric Utility Commission on a 7-0 vote with three absences and one vacancy.

Additional Backup Information:

The contract will provide Austin Energy with network transformers on an as-needed basis. Network transformers are used to supply power to grid-type secondary or network distribution systems in areas of high load density. The systems are backed up, so that in the event of a failure, customers will not experience disruption of service.

An evaluation team with expertise in this area evaluated the offers and scored KBS Electrical Distributors Inc. as the best to provide these services based on price, service-disabled veteran business enterprise, local preference, company experience and personnel, concept and solution, and facility.

Contract Detail:

| <u>Contract Term</u> | <u>Length of Term</u> | <u>Contract Authorization</u> |
|---------------------------------|----------------------------------|--|
| Initial Term | 1 yr. | \$14,000,000 |
| Optional Extension 1 | 1 yr. | \$14,000,000 |
| Optional Extension 2 | 1 yr. | \$14,000,000 |
| Optional Extension 3 | 1 yr. | \$14,000,000 |
| Optional Extension 4 | 1 yr. | \$14,000,000 |
| TOTAL | 5 yrs. | \$70,000,000 |

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