



City of Austin

Recommendation for Action

File #: 24-4271, Agenda Item #: 13.

4/18/2024

Posting Language

Authorize negotiation and execution of two contracts for circuit breakers with Siemens Energy Inc. and KBS Electrical Distributors Inc., each for up to five years for total contract amounts not to exceed \$37,000,000, divided between the contractors.

[Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the goods required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting opportunities were established].

Lead Department

Financial Services Department.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$7,400,000 is available in the Capital Budget of Austin Energy.

Funding for the remaining contract term is contingent upon available funding in future budgets.

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:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Council Committee, Boards and Commission Action:

March 18, 2024 - Recommended by the Electric Utility Commission on a vote of 7-0 with Commissioner Alvaraez off the dais and three vacancies.

Additional Backup Information:

These contracts will provide high voltage and 362kV circuit breakers for Austin Energy. The circuit breakers are used to de-energize high voltage substation transmission lines for construction and maintenance purposes and during fault and outage conditions. Circuit breakers are a crucial safety component for protecting personnel and contractors, in addition to substation equipment.

Price increases and an increase in projects resulted in the need for more circuit breakers and faster depletion of authorized funds on the current contract than originally forecast. In addition, lead times on circuit breakers have more than doubled in the past year with current lead times at over four years.

A delay in contract approval could impact Austin Energy's ability to complete construction and maintenance projects in a timely manner.