



# City of Austin

## Recommendation for Action

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**File #:** 26-1637, **Agenda Item #:** 19.

5/21/2026

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### **Posting Language**

Authorize a contract for air compressor maintenance and repair services for Austin Energy with Capitol Bearing Service of Austin, Inc., for an initial term of one year with up to four one-year extension options in an amount not to exceed \$1,578,705. Funding: \$315,741 is available in the Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Lead Department**

Austin Financial Services.

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

Austin Energy.

### **Fiscal Note**

Funding in the amount of \$315,741 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Energy.

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

### **Procurement Language:**

Austin Financial Services issued a Request for Proposals solicitation RFP 1100 MMH3032 for these services. The solicitation was published on November 3, 2025, and closed on December 9, 2025. Of the four offers received, the proposals submitted by the recommended contractor represented best value to the City based on the solicitation's evaluation criteria. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at [https://financeonline.austintexas.gov/afo/account\\_services/solicitation/solicitation\\_details.cfm?sid=142812](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=142812).

### **MBE/WBE:**

This contract will be awarded in compliance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the service required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to the Austin Financial Services - Central Procurement at [FSDCentralProcurementRCAs@austintexas.gov](mailto: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 11, 2026 - Recommended by the Electric Utility Commission on an 11-0 vote.

### **Additional Backup Information:**

This contract is to provide repair and maintenance services for the instrument air compressors located at Decker Creek Power Station and Sand Hill Energy Center. These compressors supply pressurized air to critical instrumentation systems that support monitoring and control of power generation equipment.

A failure of the instrument air system could result in equipment malfunctions and a loss of generation capacity and as such, the air compressors are considered critical components at both facilities.

This contract replaces a previous contract which expired May 10, 2026. The requested authorization amount was determined based on current market pricing and anticipated maintenance needs. The recommended contractor is not the current provider for these services.

An evaluation team with expertise in this area evaluated the offers and scored Capitol Bearing Service of Austin, Inc. as the best to provide these services based on project concept and strategy, offeror firm experience, personnel experience and qualifications, price, small business preference and local business presence.

Without this contract, Austin Energy would not be able to properly maintain these critical systems and help ensure reliable plant operation for overall electric grid stability.

<b>Contract Details:</b>		
<b>Contract Term</b>	<b>Length of Term</b>	<b>Contract Authorization</b>
Initial Term	1 year	\$315,741
Optional Extension 1	1 year	\$315,741
Optional Extension 2	1 year	\$315,741
Optional Extension 3	1 year	\$315,741
Optional Extension 4	1 year	\$315,741
<b>Total</b>	<b>5 years</b>	<b>\$1,578,705</b>