



Recommendation for Action

File #: 22-3784, Agenda Item #: 25.

1/26/2023

Posting Language

Authorize negotiation and execution of a contract to provide transformer recycling, used oil recycling, polychlorinated biphenyl management, and transformer refurbishment services with Florida Transformer LLC d/b/a Emerald Transformer, for a term of five years in an amount not to exceed \$2,000,000.

[Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). For the goods and services required for this solicitation, there were insufficient 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 \$400,000 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 MMH3021 for these services. The solicitation was issued on July 25, 2022 and closed on August 18, 2022. Of the five 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](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=136788)
<https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=136788>.

For More Information:

Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Melita Harden, at 512-974-2838 or Melita.Harden@austintexas.gov
<<mailto:Melita.Harden@austintexas.gov>>.

Council Committee, Boards and Commission Action:

January 9, 2023 - Recommended by the Electric Utility Commission on a 7-0 vote with Commissioners Hopkins and Bowen absent and two vacancies.

Additional Backup Information:

The contract will provide four critical services to Austin Energy operations. These services will include transformer recycling, used oil recycling, polychlorinated biphenyl (PCB) management, and transformer refurbishments.

The transformer and used oil recycling services will generate revenue for Austin Energy based on the market value of scrap metals and used oil. Electrical equipment contaminated with PCBs are subject to various federal and state regulatory requirements for which a trusted partner with specialized expertise and certifications is required. Transformer refurbishment services will allow Austin Energy to partially alleviate ongoing supply chain pressures in the procurement of new transformers by selectively repairing those units that meet functional criteria as defined by Austin Energy engineering personnel. Refurbished transformers are much more cost effective than new units in current market conditions and can be turned around in a matter of weeks, where new transformer purchases can have lead times of several months.

An evaluation team with expertise in this area evaluated the offers and scored Florida Transformer LLC d/b/a Emerald Transformer as the best to provide these services based on concept and solution, proposer experience, project management structure, price, local preference, and service-disabled veteran business enterprise.

Strategic Outcome(s):

Government that Works for All.