



The Electric Utility Commission

June 21, 2010

6:00 p.m.

**Town Lake Center, Shudde Fath Conference Room
721 Barton Springs Road, Austin, Texas**

AGENDA

Members:

Phillip Schmandt, Chair
Linda Shaw, Vice Chair
Gary "Bernie" Bernfeld

Shudde Fath
Steve Smaha

Steve Taylor
Michael Webber

For more information go to: [City of Austin Boards and Commissions Information Center](http://www.austintexas.gov/boardsandcommissions)

The Electric Utility Commission may go into a closed session, if necessary, under Chapter 551 of the Texas Government Code to discuss or take action on a "competitive matter" of Austin Energy as provided for under Section 551.086. Reading and Action on Consent Agenda: Item 4 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commission Member.

1. **CALL TO ORDER** – 6:00 p.m., June 21, 2010

2. **APPROVAL OF MINUTES**

3. **CITIZEN COMMUNICATIONS: GENERAL**

Please sign up to address the Commission with the staff liaison before the meeting begins. Speakers may speak on general issues or regarding specific items listed on this agenda. Please limit your comments to three minutes.

4. **ACTION ON CITY COUNCIL AGENDA ITEMS RELATED TO AUSTIN ENERGY**

- a. Recommend authorization to award, negotiate, and execute a professional services contract with NAVIGANT CONSULTING, INC., Austin, TX, for consulting services for performing a financial and programmatic review of Austin Energy in an amount not to exceed \$281,000.
- b. Recommend authorization to award and execute a contract with AUSTIN TRUCK AND EQUIPMENT LTD., dba FREIGHTLINER OF AUSTIN, Austin, TX, for the purchase of seven truck-mounted aerial devices in an amount not to exceed \$1,503,554.
- c. Recommend approval to award and execute of a contract through the Texas Procurement and Support Services Cooperative Purchasing Program, Texas Multiple Award Schedule (TXMAS) with AMERICAN MATERIAL HANDLING, INC., Lilburn, GA, for the purchase of a rough-terrain telehandler in an amount not to exceed \$83,476.

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. If requiring Sign Language Interpreters or alternative formats, please give notice at least three days before the meeting date. Please call Toye Goodson Collins at Austin Energy at (512) 322-6450 for additional information. TTY users route through Relay Texas at 711.

- d. Recommend authorization to award, negotiate, and execute a 24-month requirements supply contract with IVES EQUIPMENT CORP., King of Prussia, PA, for valve replacement parts for Sand Hill Energy Center in an estimated amount not to exceed \$350,000, with two 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$750,000.
 - e. Recommend authorization to award and execute a contract with INSTRUMENT TRANSFORMER EQUIPMENT CORPORATION, Charlotte, NC, for the purchase of 24 potential transformers for Austin Energy in an amount not to exceed \$167,928.
 - f. Recommend authorization to award and execute a 12-month supply agreement with SCHWEITZER ENGINEERING LABORATORIES, INC., Pullman, WA, for the purchase of replacement relays for switchgear and relay panels for Austin Energy in an estimated amount not to exceed \$1,802,140, with four 12-month extension options in an estimated amount not to exceed \$1,802,140 per extension option, for an estimated total contract amount not to exceed \$9,010,700.
 - g. Recommend authorization to award and execution of a 12-month requirements supply contract with TECHLINE, INC, Austin, TX, for shoebox style street light fixtures and poles in an estimated amount not to exceed \$224,045, with four 12-month extension options in an estimated amount not to exceed \$224,045 per extension option, for an estimated total contract amount not to exceed \$1,120,225.
5. **NEW BUSINESS:** Discussion on air permitting rules and the Fayette Power Plant
 6. **OLD BUSINESS**
 - a. Presentation and discussion of possible amendments to the Competitive Matters Resolution No. 20051201-002
 - b. Discussion of Austin Energy's FY 2011 budget development
 7. **STAFF REPORTS AND BRIEFINGS**
 - a. Update on Meeting M/WBE Goals
 - b. Monthly Financial Report
 - c. Monthly Deferred Payment Arrangement and Disconnection Report
 8. **FUTURE AGENDA ITEMS AND REQUESTED BRIEFINGS ON UPCOMING PROCUREMENTS**
 9. **ADJOURNMENT**

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. If requiring Sign Language Interpreters or alternative formats, please give notice at least three days before the meeting date. Please call Toye Goodson Collins at Austin Energy at (512) 322-6450 for additional information. TTY users route through Relay Texas at 711.

ITEM 4a

CITY OF AUSTIN – Purchasing
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: 6/24/2010

Subject: Authorize award, negotiation, and execution of a professional services contract with NAVIGANT CONSULTING, INC., Austin, TX, for consulting services for performing a financial and programmatic review of Austin Energy in an amount not to exceed \$281,000.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Rosemary Ledesma, Purchasing Manager 322-6155; Robert Goode, Acting General Manager, Austin Energy 322-6157; Leslie Browder, Chief Financial Officer 974-2283.

Boards and Commission Action: To be reviewed by the Electric Utility Commission on June 21, 2010.

MBE/WBE: This professional services contract is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9B of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.

In April 2010, the City Manager shared an action plan with the City Council that will help develop both short term and long term recommendations to address several of the challenges that are currently facing Austin Energy (AE), including:

- Funding for power generation, as well as general improvements for AE's utility infrastructure.
- The General Fund Transfer policy, which needs to be evaluated in conjunction with the review of AE's electric rates.
- The need to recover increasing transmission costs related to ongoing costs of the Texas Transmission Construction program.
- Over a longer planning horizon, changes in the electric industry will require AE to evaluate and begin planning for adjustments to its business model to competitively position itself for the future state of the industry.

This proposed contract with Navigant Consulting, Inc. will provide professional consulting services to help address several elements of the first phase of the City Manager's Financial Assessment Plan outlined in a memorandum to the City Council dated April 5, 2010. A copy of the memorandum is attached as back-up to this RCA. The

scope of work for this initial financial analysis and programmatic review includes the elements outlined below.

Independent evaluation of AE's financial position given the current economic and industry conditions and outlook. This evaluation will include a review of the adequacy of fund balance levels, as well as an analysis of the ability to ensure ongoing compliance with current bond ordinances that define debt service coverage and utility rate requirements. The consultant will rely on data and reports compiled by AE financial staff, as well as the firm's own independent research, to complete the assessments, including a review of key financial ratios and adequacy of reserve levels.

Benchmarking of electric utility costs compared to other comparable utilities. This work will complement the work being completed by R.W. Beck as part of the development of affordability measures for AE's Resource, Generation, and Climate Protection Plan. The final product will identify two to three of the most relevant metrics for each of the major functional areas of AE's business, including power production, electric service delivery, customer care, support services, and distributed energy and other non-traditional services. This high-level benchmarking will provide an initial identification of areas within AE's various businesses that may present opportunities for performance improvement that could result in future cost savings. Significant variances in metrics between AE and its peers will be researched to gain an understanding of the possible underlying drivers.

Review and evaluation of AE programs. The scope of this high level program review will help determine whether AE's programs support the achievement of long-range goals outlined in its strategic plan, as well as identifying issues and potential program efficiencies. In addition to evaluating program-related data, the firm's functional utility experts will conduct interviews with AE personnel regarding program spending areas that could present future opportunities for cost savings as part of this task. The resulting report will also identify any functions that might warrant more of an in-depth study and analysis in the future.

Assistance with an assessment of General Fund Transfer methodology. The assessment will incorporate a review of best practices across the country and the consultant will help identify relevant utilities that need to be included in the review for comparison purposes.

The consulting services provided by Navigant Consulting and R.W. Beck will provide the majority of work elements planned as part of Phase 1, which consists of the initial financial analysis and affordability benchmarking. Additional consulting services will be sought in the future to assist AE financial staff in developing a financial model that can be used to prepare projections for changes in the business model, and for Phase 2, which will entail a thorough review of AE's rate structure and preparations for an adjustment of existing rates.

ITEM 4b

CITY OF AUSTIN - Purchasing
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: 6/24/2010

Subject: Authorize award and execution of a contract with AUSTIN TRUCK AND EQUIPMENT LTD., dba FREIGHTLINER OF AUSTIN, Austin, TX for the purchase of seven truck-mounted aerial devices in an amount not to exceed \$1,503,554.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy.

Fiscal Note: A fiscal note is required.

For More Information: Sharon Patterson, Senior Buyer, 972-4014

Boards and Commission Action: To be reviewed by the Electric Utility Commission on June 21, 2010.

Purchasing Language: Lowest bid meeting specifications of five bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for the purchase of two replacement 45-foot sheave-height digger-derricks, chassis and bodies; two replacement 55-foot overcenter material-handling aerial devices, chassis and bodies; two replacement 50-foot telescopic material-handling aerial devices with elevator, chassis and bodies; and one replacement 65-foot non-overcenter material-handling aerial device, chassis and body. These aerial devices will be assigned to Austin Energy (AE) for use in the construction and maintenance of overhead distribution electrical lines and street-lighting systems.

The Austin Climate Protection Program team and Fleet staff have worked together to develop a vehicle purchasing process in our progress towards our citywide objective of obtaining carbon neutrality by 2020. The development of the purchasing criteria incorporates emissions impact, available technologies on the market, physical demands on the vehicle, and service application. These criteria are applied to all vehicles submitted to Fleet for purchase.

All of these vehicles are powered with engines capable of burning biodiesel (B20) fuel. In line with Austin Climate Protection Program goals, B20 provides an approximate 25% reduction in greenhouse gas emissions versus using gasoline and an approximate 5% reduction versus using petro-diesel.

AE reviewed the list of vehicles determined eligible for replacement by Fleet Services based on mileage, hours of use, and maintenance costs. From that list, priority uses were determined within the department, and the proposed equipment was reviewed by the Fleet Service Center Manager to insure the specified vehicle is appropriate for the use.

All of these replacement vehicles have met the Fleet Officer's eligibility criteria for replacement. The Fleet Service Center Managers have inspected each vehicle to be replaced, and determined that the mileage or hours of use of each vehicle proposed for replacement cannot be increased without risking a significant increase in repair costs and loss of productivity due to down time.

MBE/WBE solicited: 0/0 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. Seventy-four notices were sent. There are no known MBE/WBEs available for this commodity. Five bids were received.
- c. The pricing offered for Item 2 represents a 4% increase to the last purchase made in August 2009. This is the first recent purchase for Items 1, 3, and 4; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Austin Truck and Equipment, dba Freightliner of Austin was not the previous supplier of this type equipment.
- b. The Purchasing Office concurs with Austin Energy's and Fleet Services' recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.

AGENDA DATE: 06/24/10

VENDOR NAME: AUSTIN TRUCK AND EQUIPMENT LTD

BID TABULATION
IFB No. SAP0134

Item 1: 45-foot Sheave-Height Digger-Derrick

| Vendor | Quantity | Unit Price | Total Price |
|---|----------|------------------|------------------|
| Austin Truck and Equipment, Ltd. | | | |
| Austin, TX | 2 | \$202,241 | \$404,482 |
| Performance Truck | | | |
| Austin, TX | 2 | \$205,876 | \$411,752 |
| Longhorn International Trucks, LTD | | | |
| Austin, TX | 2 | \$208,279 | \$416,558 |
| Freightliner of San Antonio, LTD | | | |
| Converse, TX | 2 | \$208,796 | \$417,592 |
| Southwest International Trucks | | | |
| McKinney, TX | 2 | \$211,470 | \$422,940 |

Item 2: 55-foot Overcenter Aerial Device

| Vendor | Quantity | Unit Price | Total Price |
|---|----------|------------------|------------------|
| Austin Truck and Equipment, Ltd. | | | |
| Austin, TX | 2 | \$217,345 | \$434,690 |
| Performance Truck | | | |
| Austin, TX | 2 | \$219,849 | \$439,698 |
| Freightliner of San Antonio, LTD | | | |
| Converse, TX | 2 | \$222,798 | \$445,596 |
| Longhorn International Trucks, LTD | | | |
| Austin, TX | 2 | \$225,008 | \$450,016 |
| Southwest International Trucks | | | |
| McKinney, TX | 2 | \$226,059 | \$452,118 |

Item 3: 50-foot Telescopic Aerial Device

| Vendor | Quantity | Unit Price | Total Price |
|---|----------|------------------|------------------|
| Austin Truck and Equipment, Ltd. | | | |
| Austin, TX | 2 | \$219,463 | \$438,926 |
| Freightliner of San Antonio, LTD | | | |
| Converse, TX | 2 | \$219,556 | \$439,112 |
| Longhorn International Trucks, LTD | | | |
| Austin, TX | 2 | \$228,610 | \$457,220 |
| Southwest International Trucks | | | |
| McKinney, TX | 2 | * \$211,097 | \$422,194 |
| Performance Truck | | | |
| Austin, TX | 2 | No bid | No bid |

*Southwest International Trucks was not considered for award since they did not meet the minimum specifications required by the solicitation.

Item 4: 65-foot Non-Overcenter Aerial Device

| Vendor | Quantity | Unit Price | Total Price |
|---|----------|------------------|------------------|
| Austin Truck and Equipment, Ltd. | | | |
| Austin, TX | 1 | \$225,456 | \$225,456 |
| Performance Truck | | | |
| Austin, TX | 1 | \$229,661 | \$229,661 |
| Longhorn International Trucks, LTD | | | |
| Austin, TX | 1 | \$232,314 | \$232,314 |
| Freightliner of San Antonio, LTD | | | |
| Converse, TX | 1 | \$232,404 | \$232,404 |
| Southwest International Trucks | | | |
| McKinney, TX | 1 | \$235,822 | \$235,822 |

**CITY OF AUSTIN - PURCHASING
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: AMERICAN MATERIAL HANDLING, INC.**

**AGENDA DATE: 07/29/10
PAGE 1 OF 2**

SUBJECT: Authorize award and execution of a contract through the Texas Procurement and Support Services Cooperative Purchasing Program, Texas Multiple Award Schedule (TXMAS) with AMERICAN MATERIAL HANDLING, INC., Lilburn, GA for the purchase of a rough-terrain telehandler in an amount not to exceed \$83,476.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$83,476 is available in the Fiscal Year 2009-2010 Capital Budget of Austin Energy.

FISCAL NOTE: A fiscal note is required.

PURCHASING: Cooperative Purchase.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 06/21/10.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority –Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.

FOR MORE INFORMATION CONTACT: Sharon Patterson, Senior Buyer/972-4014

This contract is for the purchase of one new rough-terrain telehandler to be used by the Austin Energy Substation Construction and Maintenance Division.

Austin Energy's Climate Protection team and Fleet have worked together to develop a vehicle purchasing process in our progress towards our citywide objective of obtaining carbon neutrality by 2020. The development of the purchasing criteria incorporates emissions impact, available technologies on the market, physical demands on the vehicle, and service application. These criteria are applied to all vehicles submitted to Fleet for purchase.

This telehandler is powered with an engine capable of burning biodiesel (B20) fuel. In line with Austin Climate Protection Program goals, B20 provides an approximate 25% reduction in greenhouse gas emissions versus using gasoline and an approximate 5% reduction versus using petro-diesel.

The telehandler in this RCA has been recommended for purchase utilizing a process that involves the Fleet Officer, affected Department Directors, and Assistant City Managers (ACMs). ACM approval is required for all new additions to the City's fleet prior to any requests being made to the Purchasing Office.

The rough-terrain telehandler will have a lift height of 44 feet and will be equipped with forklift tines and stabilizers which allow the driver to level the unit for safe and stable movement of materials.

American Material Handling, Inc. is contracted through TXMAS to supply various types of equipment to other public entities state-wide. This cooperative purchasing program is coordinated by the State of Texas, Comptroller of Public Accounts and allows the City to use TXMAS contracts that have been developed from contracts competitively bid and awarded by the General Services Administration's Federal Supply Service.

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**CITY OF AUSTIN - PURCHASING
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: IVES EQUIPMENT CORP.**

**AGENDA DATE: 07/29/2010
PAGE 1 OF 1**

SUBJECT: Authorize award, negotiation, and execution of a 24-month requirements supply contract with IVES EQUIPMENT CORP., King of Prussia, PA for valve replacement parts for Sand Hill Energy Center in an estimated amount not to exceed \$350,000, with two 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$750,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$29,167 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining 22 months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

FOR MORE INFORMATION CONTACT: Dolores Castillo, Sr. Buyer/322-6466

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 06/21/2010.

PURCHASING: Single Source.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract will provide replacement parts for critical combined cycle control valves for the steam turbine installed in Unit 5 at the Sand Hill Energy Center. Parts included are spindles, gasket, and piston rings to be used on bypass valves, recirculation valves, and condensate valves. The valves control high pressure and high temperature steam flow through the combined cycle system. In order for the valves to work properly, the replacement parts must be manufactured with extremely tight tolerances which can best be accomplished by the original equipment manufacturer.

The valves were manufactured by Welland & Tuxhorn Company located in Germany. Ives Equipment Corp. is the only authorized parts distributor in the United States.

ITEM 4e

CITY OF AUSTIN – Purchasing
RECOMMENDATION FOR COUNCIL ACTION

AGENDA DATE: 6/24/2010

Subject: Authorize award and execution of a contract with INSTRUMENT TRANSFORMER EQUIPMENT CORPORATION, Charlotte, NC for the purchase of 24 potential transformers for Austin Energy in an amount not to exceed \$167,928.

Amount and Source of Funding: Funding is contingent upon approval of the Fiscal Year 2010-2011 Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Terry Nicholson, Senior Buyer/322-6586

Boards and Commission Action: To be reviewed by the Electrical Utility Commission on June 21, 2010.

Purchasing Language: Lowest bid of six bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

The contract is for the purchase of 24 each, potential transformers required to complete upgrades and replace old equipment at various Austin Energy substations. These transformers are devices that convert larger transmission voltages to lower voltages so protective relays and other control devices can function properly by providing transient and steady-state voltage measurements necessary to operate the control and protection equipment. The number of potential transformers at each substation depends on the size and location of the substation and will be installed on an as-needed basis.

MBE/WBE solicited: 6/3 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred forty-four notices were sent, including six MBEs and three WBEs. Six bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 9% increase to the last purchase made in June 2008.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Instrument Transformer Equipment Corporation is the current provider of this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

AGENDA DATE: 6/24/10

VENDOR NAME: INSTRUMENT TRANSFORMER EQUIPMENT CORPORATION

BID TABULATION

IFB TVN0049

Potential Transformers

(Qty – 24)

| <u>Vendor</u> | <u>Total Price</u> |
|---|---------------------------|
| Instrument Transformer Equipment Corporation Charlotte, NC | \$167,928 |
| Power Supply Austin, TX | \$204,000 |
| Trench Limited Scarborough, Ontario, Canada | \$214,680 |
| Areva T & D Waynesboro, GA | \$214,920 |
| KBS Austin, TX | \$219,360 |
| Turtle & Hughes, Inc. Houston, TX | \$225,648 |

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

CITY OF AUSTIN - PURCHASING
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: SCHWEITZER ENGINEERING LABORATORIES, INC.

AGENDA DATE: 07/29/2010

PAGE 1 OF 2

SUBJECT: Authorize award and execution of a 12-month supply agreement with SCHWEITZER ENGINEERING LABORATORIES, INC., Pullman, WA for the purchase of replacement relays for switchgear and relay panels for Austin Energy in an estimated amount not to exceed \$1,802,140, with four 12-month extension options in an estimated amount not to exceed \$1,802,140 per extension option, for an estimated total contract amount not to exceed \$9,010,700.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$300,357 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining two months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

FOR MORE INFORMATION CONTACT: Terry Nicholson, Senior Buyer/322-6586

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on June 21, 2010.

PURCHASING: Lowest bid of 2 bids received.

MBE/WBE: This contract will be/was awarded in compliance with Chapter 2-D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract will provide Austin Energy (AE) substations with a continuous supply of protective relays for replacement in switchgear and relay panels, to be purchased on an as-needed basis. These protective relays will be used to protect high voltage transmission lines, substation equipment and AE's distribution system.

MBE/WBE solicited: 0/3

MBE/WBE bid: 0/0

BID TABULATION

IFB No. TVN0052 - Switchgear Relays (54 – line items)

Vendor
Schweitzer Engineering Laboratories, Inc.
Pullman, WA

Total Annual Price
\$1,802,140

Turtle & Hughes, Inc.
 Houston, TX

\$2,051,680

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Seventy-three notices were sent including three WBEs. There are no known MBEs for this commodity. Two bids were received with no response from the WBEs.
- c. The pricing offered represents a 1% decrease from the last contract award made in February 2005.

APPROVAL JUSTIFICATION

- a. Lowest bid received. Schweitzer Engineering Laboratories is the current provider for these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN - PURCHASING
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: TECHLINE, INC.**

AGENDA DATE: 07/29/2010

PAGE 1 OF 2

SUBJECT: Authorize award and execution of a 12-month requirements supply contract with TECHLINE, INC, Austin, TX for shoebox style street light fixtures and poles in an estimated amount not to exceed \$224,045, with four 12-month extension options in an estimated amount not to exceed \$224,045 per extension option, for an estimated total contract amount not to exceed \$1,120,225.

AMOUNT AND SOURCE OF FUNDING: Funding in the amount of \$56,011 is available in the Fiscal Year 2009-2010 Operating Budget of the Austin Energy. Funding for the remaining three months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

FOR MORE INFORMATION CONTACT: Terry Nicholson, Senior Buyer/322-6586

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on June 21, 2010.

PURCHASING: Lowest bid of five bids received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D. No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

The contract will provide AE with a continuous supply of shoebox style streetlight fixtures and poles for new installations and to replace fixtures and poles as required that have failed or been damaged. The fixtures and poles are used throughout the AE coverage area. The "shoebox" style fixture is an assembly which will allow AE to replace worn or damaged components without requiring a complete fixture replacement.

MBE/WBE solicited: 5/4

MBE/WBE bid: 0/0

BID TABULATION
IFB No. TVN0046 (14 - line items)

Vendor
Techline, Inc
Austin, TX

Total Bid
\$224,045

Power Supply
Austin, TX

\$233,750

**CITY OF AUSTIN - PURCHASING
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: TECHLINE, INC.**

AGENDA DATE: 07/29/2010

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| | |
|---|-----------|
| Hill Country Electric Supply Austin, TX | \$236,325 |
| Turtle & Hughes Houston, TX | \$257,339 |
| Border States Electric Supply Austin, TX | \$285,840 |

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Ninety eight notices were sent including five MBEs and four WBEs. Five bids were received with no response from the MBE/WBEs.
- c. The pricing offered represents a 21% "increase to the last contract award made September, 2005. The increased cost is directly related to a change in cost of semi-finished steel prices which have increased by over 21% according to current preliminary index projections (WPS1083 Metals and metal products/Lighting Fixtures and PCU335122335122 Nonresidential electric lighting fixture mfg)

APPROVAL JUSTIFICATION

- a. Lowest bid received. Techline, Inc. is the current provider of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

AUSTIN ENERGY
FY 2010 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

| | April 2010 Year to Date Actual | April 2010 Year to Date Budget | Variance | Percent |
|---|--------------------------------------|--------------------------------------|-------------------|--------------|
| <u>REVENUES</u> | | | | |
| Service Area Base Revenue | \$ 300,295 | \$ 294,228 | \$ 6,067 | 2.1% |
| Bilateral & Ancillary Service Sales | 9,990 | 18,492 | (8,502) | -46.0% |
| Transmission Service Revenue | 33,882 | 33,594 | 288 | 0.9% |
| Miscellaneous Revenue | 19,781 | 21,835 | (2,054) | -9.4% |
| Interest Income | 4,784 | 7,396 | (2,612) | -35.3% |
| Total Operating Revenue Without Fuel Revenue | 368,732 | 375,545 | (6,813) | -1.8% |
| Fuel & Green Choice Revenue | 205,810 | 261,965 | (56,155) | -21.4% |
| Total Operating Revenue | 574,542 | 637,510 | (62,968) | -9.9% |
| Total Revenue | 574,542 | 637,510 | (62,968) | -9.9% |
| <u>OPERATING REQUIREMENTS</u> | | | | |
| Fuel and Green Power Expense | 209,198 | 260,456 | 51,258 | 19.7% |
| <u>Department O&M Without Fuel</u> | | | | |
| Department O&M | 112,544 | 126,047 | 13,503 | 10.7% |
| Transmission Service Expense | 35,711 | 36,693 | 982 | 2.7% |
| South Texas Project O&M | 44,970 | 37,724 | (7,246) | -19.2% |
| Fayette Power Project O&M | 12,541 | 13,424 | 883 | 6.6% |
| Call Center | 14,466 | 15,226 | 760 | 5.0% |
| Energy Conservation Rebates | 9,115 | 6,950 | (2,165) | -31.2% |
| Bad Debt Expense | 2,071 | 1,756 | (315) | -17.9% |
| Administrative Support Transfer | 8,472 | 8,472 | 0 | 0.0% |
| Total Operating O&M Without Fuel | 239,890 | 246,292 | 6,402 | 2.6% |
| Total Operating Requirements | 449,088 | 506,748 | 57,660 | 11.4% |
| <u>DEBT SERVICE REQUIREMENTS</u> | | | | |
| Revenue Bond | 68,591 | 69,716 | 1,125 | 1.6% |
| Other Obligations | 516 | 1,502 | 986 | 65.6% |
| Total Debt Service Requirements | 69,107 | 71,218 | 2,111 | 3.0% |
| <u>TRANSFERS/USES OF COVERAGE</u> | | | | |
| General Fund Transfer | 75,750 | 75,750 | 0 | 0.0% |
| Electric CIP Transfer | 35,001 | 34,831 | (170) | -0.5% |
| Revenue Bond Retirement Reserve Transfer | 44,000 | 44,000 | 0 | 0.0% |
| Total Transfers | 154,751 | 154,581 | (170) | -0.1% |
| Total Requirements Without Encumbrances | 672,946 | 732,547 | 59,601 | 8.1% |
| Total Encumbrances | 14,429 | 14,429 | 0 | 0.0% |
| Total Requirements | 687,375 | 746,976 | 59,601 | 8.0% |
| CHANGE TO BEGINNING BALANCE | \$ (112,833) | \$ (109,466) | \$ (3,367) | 3.1% |

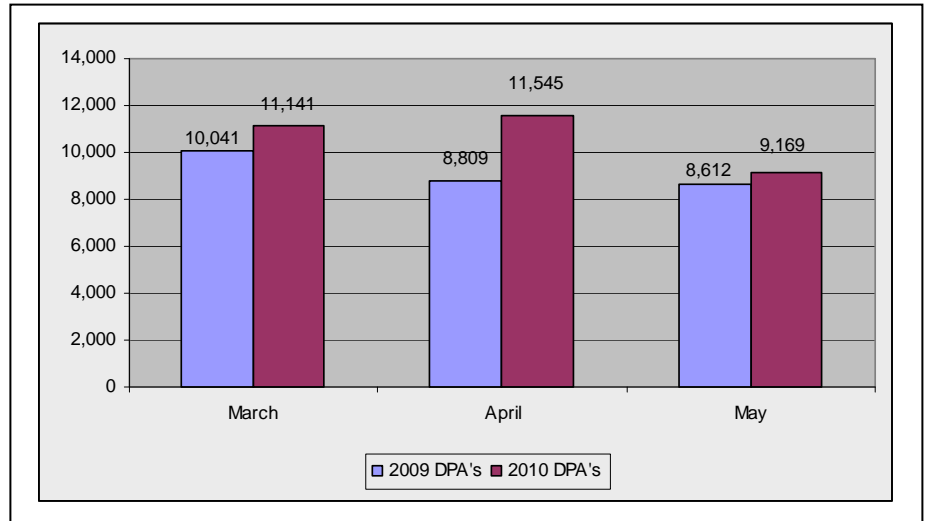


**Disconnect and Deferred Payment Agreements (DPA) Report
Presented to the Electric Utility Commission
June 21, 2010**

Deferred Payment Agreements

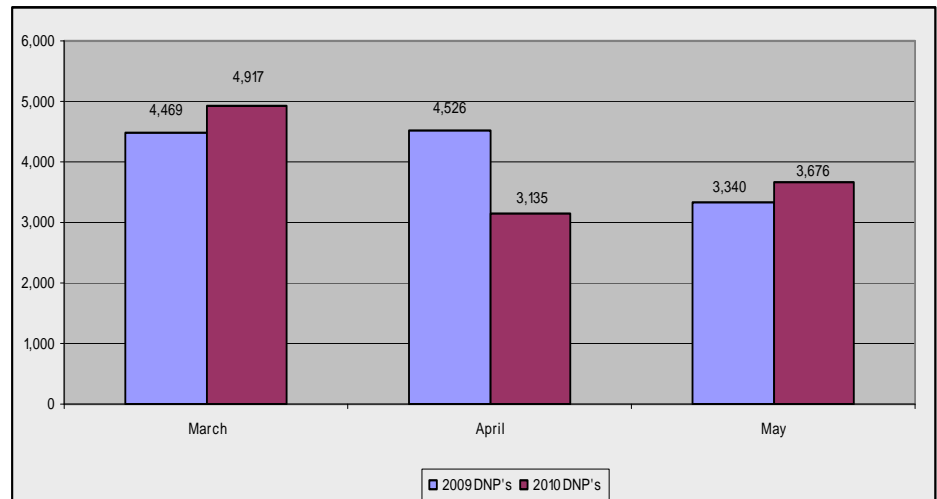
| Month | 2009 DPAs | 2010 DPAs |
|---------------|--------------|--------------|
| March | 10,041 | 11,141 |
| April | 8,809 | 11,545 |
| May | 8,612 | 9,169 |
| Monthly Total | 27,462 | 31,855 |

Note: In May 2010 there was a 6% increase in the number of DPAs written compared to the number written in May 2009.



Residential Disconnections

| Month | 2009 Disconnects | 2010 Disconnects |
|---------------|---------------------|---------------------|
| March | 4,469 | 4,917 |
| April | 4,526 | 3,135 |
| May | 3,340 | 3,676 |
| Monthly Total | 12,335 | 11,728 |



UPCOMING PROCUREMENTS BY AUSTIN ENERGY

| | PROJECT NAME | ESTIMATED AMOUNT | CUSTOMER | ESTIMATED COUNCIL | DESCRIPTION |
|----|---|------------------|---------------------------------|-------------------|---|
| 1 | Solar photovoltaic modules | \$2,000,000 | DES | July | Building-mounted solar PV modules to be installed in various City building |
| 2 | Transporter remittance processor | \$500,000 | Customer Care | July | Sole source with Unisys; ITT procurement of new transporter equipment for remittance payment processing of checks used by Customer Care |
| 3 | Transportation and disposal of PCBs | \$209,000 | Environmental Care & Protection | July | Management and disposal of PCB and Non-PCB waste |
| 4 | Uniformed security guard services | \$1,600,000 | Facilities | July | Unarmed security services for various AE facilities |
| 5 | Transmission and distribution electrical services | \$7,400,000/yr | ESD | July | Five year contract for routine and emergency electric distribution powerline above-ground installations and maintenance service |
| 6 | Demineralizer upgrade at Decker | \$2,000,000 | Power Production | July | Purchase and installation of new demineralizer system for Decker |
| 7 | Switchgear and emergency control panel upgrade at MEC | \$580,000 | On-Site Energy Resources | July | Upgrade redundancy for Mueller Energy Center supplying electrical energy to Dell Children's Hospital |
| 8 | Annual valve repair contract for power plants | \$200,000/yr | Power Production | July | Repair of valves as required by AE power plants |
| 9 | Emergency generator and automatic transfer switch for BUCC | \$100,000 | ESD | July | Mobile backup power to AE's Back Up Control Center (BUCC) at Decker Creek Power Station |
| 10 | Marketing research study services | \$400,000 | DES | July | Full service marketing research services to conduct annual market studies |
| 11 | Capacitor banks | \$300,000/yr | ESD | July | Externally fused 138 KV substation shunt power capacitor bank |
| 12 | Software upgrade purchase with digital inspection | \$100,275 | ESD | July | Sole source; upgrade of the Cascade database software from Sybase to Oracle. This software tracks substation equipment maintenance |
| 13 | Automated meter infrastructure (AMI) software module | \$275,000 | ITT | July | Sole source; implementation, maintenance and support of an AMI software module for existing PowerOn Outage Management System used by ESD |
| 14 | GE Smallworld software license upgrade and software maintenance and support | \$981,224 | ITT | July | Single source; software license upgrades + maintenance and support services; a component of the outage analysis system used by ESD |
| 15 | Purchase, install a Remote Intelligent Streetlight Monitoring (ROAM) system | \$6,000,000 | ESD | July | ROAM system will improve performance level of City street lights by communicating outages directly to AE via the existing fiber optic network. For St. Elmo. |
| 16 | Padmount switchgear 15kV | \$370,000 | ESD | August | Annual supply of padmount switchgear 15kV for Decker steel yard |
| 17 | Repair feedwater pump | \$125,000 | Power Production | August | Sand Hill Energy Center Unit 5 flowserve 4x12WXH-10 Boiler, feed pump repair and modification |
| 18 | Plant gas supply pipeline cleaning and inspection | \$203,000 | Power Production | August | Lindell Lane to Decker Creek Power Station gas supply pipeline cleaning and inspection service |
| 19 | Consulting services for utility rate review | \$250,000 | Finance | August | Consulting expertise to assist in rate review planning and analysis including cost of service studies, cost analysis, rate comparisons, design and implementation of a public involvement process and rate design |
| 20 | Used steam boiler for MEC | \$330,500 | On-Site Energy Resources | August | CBN. Purchase of a rental steam boiler, 800 hp currently installed at Mueller Energy Center |
| 21 | Precast concrete manholes | \$167,000 | ESD | August | Used for underground transmission, distribution, and communications systems |