

SUBJECT: Authorize award and execution of Amendment No. 6 to an Interlocal Agreement with **TEXAS ENGINEERING EXPERIMENT STATION**, College Station, TX to increase the contract for energy management services in an amount not to exceed \$600,000.

AMOUNT & SOURCE OF FUNDING: Funding is available from the Department of Energy (DOE) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of December 28, 2009 to December 27, 2012.

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

PURCHASING: Interlocal Agreement

PRIOR COUNCIL ACTION: 09/30/04 – Approved original contract

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 07/19/10 and the Resource Management Commission on 07/18/10.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority –Owned and Women-Owned Business Enterprise Procurement Program). This contract is an Interlocal Agreement; therefore, it is exempted under Chapter 791 of the Texas Government Code and no goals were established for this contract.

FOR MORE INFORMATION CONTACT: Shawn Harris, Supervising Sr. Buyer/505-7351

On September 30, 2004, Council approved the award of a contract with Texas Engineering Experiment Station (TEES) in an amount not to exceed \$200,000 annually. The contract remains in effect until terminated by either party. The original funding source was from Austin Energy's operating budget.

The TEES is a part of the Texas A&M University System. For all work, TEES will submit a quote and Austin Energy will review and accept prior to any work being accomplished. The activities performed by TEES include:

- Assisting AE (or AE's customers) with identifying and or analyzing potential measures which may reduce customer's energy costs;
- Providing expertise in assisting AE with the commissioning of various energy conservation measures or projects.
- Performing other energy management related engineering services, technical assistance, and training as requested by AE and agreed by TEES.

The tasks provided by TEES will assist AE in implementing the Department of Energy's (DOE) American Recovery and Reinvestment Act (ARRA) Energy Efficiency and Conservation Block Grant (EECBG) approved by Council on February 4, 2010. The grant identified TEES as the contractor to provide the services. In addition, the grant requires that projects be identified as shovel-ready or near shovel-ready and that they be completed during the grant period of December 28, 2009 through December 27, 2012.

Amendments 1-5 exercised annual renewal options. Amendment No. 5 also allowed for administrative changes to the contract required to comply with EECBG Grant requirements. This proposed Amendment No. 6 will increase the contract authorization by \$600,000 to perform the projects identified in the grant.

The projects implemented through this contract amendment are anticipated to reduce the City of Austin's utility costs approximately \$205,000 and an estimated 2,050,000 kWh and 2,860 MCF of natural gas. The electrical energy savings is equivalent to an estimated 2,327,975 vehicle miles traveled, the removal of 290 cars from our roadways, or the planting of 45,462 trees or 2,273 acres of forest in Austin's parks.

Contract Summary

Action	Description	Amount
Original Contract approved 09/30/04	Council approved award of contract	\$200,000
Amendment No. 1	Increase contract amount	\$200,000
Amendment No. 2	Increase contract amount	\$200,000
Amendment No. 3	Increase contract amount	\$200,000
Amendment No. 4	Increase contract amount	\$200,000
Amendment No. 5	Increase contract amount	\$200,000
Proposed Amendment No. 6	Increase contract amount	\$600,000 ARRA funding