



## **Electric Utility Commission**

**September 20, 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  
Stephen Smaha

Steve Taylor  
Michael E. Webber

**For more information, please visit:** [City of Austin Boards and Commissions Information Center](http://www.ci.austin.tx.us/cityclerk/boards_commissions/boards/bid27.htm)  
([www.ci.austin.tx.us/cityclerk/boards\\_commissions/boards/bid27.htm](http://www.ci.austin.tx.us/cityclerk/boards_commissions/boards/bid27.htm))

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: Items 3-16 listed under New Business may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commissioner.

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#### **CALL TO ORDER**

#### **APPROVAL OF MINUTES**

1. Approve minutes of the August 16, 2010 regular meeting.

**CITIZEN COMMUNICATIONS: GENERAL** Please sign up to address the Commission before the meeting begins. Please limit comments to three minutes.

#### **OLD BUSINESS**

2. Update on the revision of the Competitive Matters Resolution

#### **NEW BUSINESS**

3. Recommend authorization to award and execute a contract with HYDRATIGHT LIMITED, Antigo, WI, for the purchase of turbine engine maintenance tools for use at Decker Creek Power Station in an amount not to exceed \$164,248.
4. Recommend authorization to award and execute a contract with PUFFER-SWEIVEN, Stafford, TX, for the purchase of a hardware and software upgrade for the Delta V software at Decker Creek Power Station, in an amount not to exceed \$144,000.
5. Recommend authorization to award and execute a 12-month requirements service contract with OPENLINK INC, Houston, TX, for the purchase of software maintenance and services in an estimated amount not to exceed \$136,230, with four 12-month extension options in estimated amounts not to exceed \$143,041 for the first extension option, \$150,193 for the second extension option, \$157,703 for the third extension option, and \$165,588 for the fourth extension option, for a total estimated contract amount not to exceed \$752,755.

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.

6. Recommend authorization to award, negotiate, and execute a 60-month requirements service contract through the State of Texas Department of Information Resources (DIR) cooperative purchasing program with SUMMUS INDUSTRIES, INC., (MBE/MB) Sugar Land, TX, for a Microsoft Enterprise License Agreement and Software Assurance in an estimated amount not to exceed \$14,538,229. (AE's share is \$552,000/year for five years.)
7. Recommend authorization to award and execute various supply and service contracts during the Fiscal Year 2010-2011 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) cooperative purchasing program Austin, TX, for the purchase of computer hardware products, including maintenance, training, information technology services, and telecommunication products and services in an estimated amount not to exceed \$9,488,628.
8. Recommend authorization to award and execute a various supply and service contracts during the Fiscal Year 2010-2011 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program, Austin, TX, for the purchase of computer software products including maintenance, training, and information technology services for Austin Energy in an estimated amount not to exceed \$11,777,698.
9. Recommend authorization to award and execute a 12-month requirements service contract with SCHNEIDER ELECTRIC USA, INC., dba SQUARE D COMPANY, Alameda, CA, for the purchase of Energy Profiler Online (EPO) application hosting services in an amount not to exceed \$120,600, with four 12-month extension options in estimated amounts not to exceed \$125,424 for the first extension option, \$132,950 for the second extension option, \$140,927 for the third extension option, and \$149,383 for the fourth extension option, for a total estimated contract amount not to exceed \$669,284.
10. Authorize award, negotiation, and execution of a 12-month requirements service contract with CREATIVE CONSUMER RESEARCH, INC., Stafford, TX, for marketing research service studies in an estimated amount not to exceed \$300,000, with four 12-month extension options in an estimated amount not to exceed \$300,000 per extension option, for a total estimated contract amount not to exceed, \$1,500,000.
11. Recommend authorization to award and execute a 12-month requirements service contract with MALDONADO NURSERY & LANDSCAPING, INC., San Antonio, TX, (MBE/MB-100%) for Grounds Maintenance Services in an estimated amount not to exceed \$57,668, with four 12-month extension options in an estimated amount not to exceed \$57,668 per extension option, for an estimated total contract amount not to exceed \$288,340.
12. Recommend authorization to award and execute a 24-month requirements supply contract with TECHLINE, INC., Austin, TX, for vacuum switches in an estimated amount not to exceed \$1,189,200 with three 12-month extension options in an estimated amount not to exceed \$594,600 per extension option, for a total estimated contract amount not to exceed \$2,973,000.
13. Recommend authorization to award and execute a 12-month requirements service contract with HAVERFIELD AVIATION, INC., Gettysburg, PA, for aerial maintenance services for Austin Energy in an estimated amount not to exceed \$144,724, with three 12-month

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extension options in an estimated amount not to exceed \$144,724 per extension option, for a total estimated contract amount not to exceed \$578,896.

14. Recommend authorization to award and execute a 12-month requirements supply contract with AIR LIQUIDE AMERICA SPECIALTY GASES, LLC, Houston, TX, for the purchase of specialty EPA protocol gases and gas cylinder management services for Austin Energy in an estimated amount not to exceed \$48,913, with four 12-month extension options in an estimated amount not to exceed \$48,913 per extension option, for a total estimated contract amount not to exceed \$244,565.
15. Authorize award, negotiation, and execution of an 18-month requirements service contract with VOLATILITY MANAGERS LLC, Green Mountain Falls, CO, and MANAGEMENT APPLICATIONS CONSULTING, INC., Reading, PA, for consulting services for performing residential consumer independent rate advisor services for Austin Energy in an estimated amount not to exceed \$97,340 for Phase I (Participation in Public Involvement Committee process), with one 18-month extension option to provide additional services in an estimated amount not to exceed \$162,600 for Phase II (Rate Proceeding Support), for a total estimated contract amount not to exceed \$259,940.
16. Consider an ordinance amending the Electric Rate Schedule contained in Ordinance No. 20100913-004 to include primary service customers as eligible customers under the Coincident Load Special Contract Rider, eliminate the need for a written contract under the Independent School Districts Time-of-Use tariff, and extend the low-income fuel charge under the Residential Service Tariff beyond its current expiration date of March 1, 2011.

#### **STAFF REPORTS AND BRIEFINGS**

17. Monthly Financial Report
18. Monthly Deferred Payment Arrangements and Disconnections Report
19. Status of the Webberville solar project
20. Plug-In Hybrid Program
21. Update on the Development of Affordability Metrics
22. Update on the Rate Review Process

#### **FUTURE AGENDA ITEMS**

23. Request agenda items including briefings related to the Upcoming Procurements Report

#### **ADJOURN**



**ELECTRIC UTILITY COMMISSION  
REGULAR MEETING MINUTES  
AUGUST 16, 2010**

**The Electric Utility Commission (EUC) convened in a regular meeting on August 16, 2010 in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.**

**CALL TO ORDER**

Phillip Schmandt, Chair, called the meeting to order at 6:00 p.m.

Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary 'Bernie' Bernfeld, Shudde Fath, Stephen Smaha and Michael E. Webber. Steve Taylor was absent.

Staff in attendance: Robert Goode, Cheryl Mele, Kerry Overton, Elaine Hart, Andy Perny, Mark Dreyfus, Karl Rabago, David Wood, Jawana J.J. Gutierrez, Jim Collins, Ann Little, Pat Alba, Jeff Vice, Fred Yebra, Rosemary Ledesma, Chris Smith, Christopher Frye, Patricia Alofsin, Andrew Gallo, Jamie Mitchell, Adrienne Brandt, Steve Machicek, David Kutach, Elaine Kelly-Diaz, Kevin Johns, Rodney Gonzales, Sylnovia Holt Rabb and Toye Goodson Collins.

**APPROVAL OF MINUTES**

1. Approve minutes of the July 19, 2010 regular meeting. **Motion to approve minutes, with two additions, by Commissioner Fath, seconded by Vice Chair Shaw, passed on a vote of 6-0.** The following sentences were added to Agenda Item 4. Public Hearing: "Chair Schmandt requested that staff provide monthly reports, updated drafts of the resolution and other related documents, and responses regarding the 113-point request submitted by Mr. Wood. All agreed to a three-month goal in which to produce these results. Austin Energy staff will continue to meet with stakeholders and provide monthly updates to the Commission." The following sentences were added to Agenda Item 6.d. Staff Reports, an update on the Energy Conservation and Audit Disclosure Ordinance: "Chair Schmandt requested that the ECAD form provided to homeowners be revised to include a statement estimating how much the specified energy conservation improvements, if installed, would save in annual energy bills if the home were an average single family home in Austin (or a similar metric that allows a homeowner to compare the potential dollar savings that can be earned from installing the improvements and the cost of installing the improvements). Chair Schmandt asked whether a new plan would be adopted to accelerate audits of commercial residencies in light of the fact that almost no commercial properties have completed the audit during the first year of the 2-year window in which all commercial properties are to have an energy audit and was informed no new plan would be adopted at this time."

**CITIZEN COMMUNICATIONS: GENERAL**

The following persons addressed the Commission on matters pertaining to the review of the Competitive Matters Resolution: Paul Robbins, Chris Searles and Roger Wood. Cyrus Reed urged the Commission to fully fund energy efficiency programs in the proposed budget.

**NEW BUSINESS**

2. Recommend authorization to award and execute a 36-month requirements supply contract with POWER SUPPLY INC., Austin, TX, for the purchase of distribution capacitors for Austin Energy in an estimated amount not to exceed \$174,636, with three 12-month extension options in an estimated amount not to exceed \$58,212 per extension option, for a total estimated contract amount not to exceed \$349,272. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**

3. Recommend authorization to award and execute a 24-month requirements supply contract with TECHLINE, INC., Austin, TX, for precast concrete manholes in an estimated amount not to exceed \$392,636, with three 12-month extension options in an estimated amount not to exceed \$196,318 per extension option, for a total estimated contract amount not to exceed \$981,590. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**
4. Recommend authorization to award and execute Amendment No. 2 to a contract with GE PACKAGED POWER INC., Houston, TX, for additional control software and technical services to complete the installation of two LM-6000 combustion turbine generators at Austin Energy's Sand Hill Energy Center in an estimated amount not to exceed \$154,257, for a revised total estimated contract amount not to exceed \$34,744,257. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**
5. Recommend authorization to award and execute two 12-month requirements service contracts for the collection and disposal of industrial non-hazardous and hazardous waste with VEOLIA ES TECHNICAL SOLUTIONS, LLC, Phoenix, AZ, in an estimated amount not to exceed \$146,905, with three 12-month extension options, in an amount of \$146,905 per extension option and CLEAN HARBORS ENVIRONMENTAL SERVICES, San Antonio, TX, in an estimated amount not to exceed \$48,845, with three 12-month extension options in an estimated amount not to exceed \$48,845 per extension option, for total estimated contract amounts not to exceed \$587,620 and \$195,380, respectively. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**
6. Recommend authorization to award and execute a 12-month requirements service contract with CREATIVE CONSUMER RESEARCH, INC., Stafford, TX, for marketing research service studies in an estimated amount not to exceed \$300,000, with four 12-month extension options in an estimated amount not to exceed \$300,000 per extension option, for a total estimated contract amount not to exceed \$1,500,000. **Motion to deny approval by Commissioner Smaha, seconded by Commissioner Webber, passed on vote of 5-1 with Commissioner Fath voting no.** Commissioners questioned why so few companies submitted proposals.
7. Recommend authorization to award, negotiate, and execute two 48-month requirements service contracts for a utility rate study to determine the cost of service for Austin Energy with R.W. BECK, INC., Austin, TX, in an estimated amount not to exceed \$2,000,000 and J. STOWE & CO., LLC, Austin, TX, in an estimated amount not to exceed \$1,000,000, for a total estimated combined contract amount not to exceed of \$3,000,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 6-0.**

## OLD BUSINESS

8. Discussion regarding the revision of the Competitive Matters Resolution No. 20051201-002. Andy Perny, Assistant City Attorney, provided a progress report on activities and documents associated with the resolution including the annual performance report and other exhibits, a web site, identifying a staff person to respond to requests, and addressing the 113-item list presented by Roger Wood. Austin Energy staff plans to present drafts of the resolution and exhibits at next month's meeting in keeping with the three-month timeline agreed to in July. Commissioner Smaha asked whether the Commission could be given authority to rule on what constitutes competitive information. Mr. Perny said that was unlikely because the Electric Utility Commission is an advisory board. The Chair invited comments from members of the public present at the meeting. Chris Searles, representing the Transparency Working Group members, distributed a handout that

included notes and suggestions resulting from group meetings and a model for a web site to be hosted by Austin Energy.

9. Discussion and Possible Action regarding Austin Energy's Fiscal Year 2011 Proposed Budget – Elaine Hart, Chief Financial Officer, presented an update on the proposed budget. After questions and discussion, Chair Schmandt presented a resolution that, in summary, recommended that Austin Energy's FY 2011 budget not be approved by City Council unless the \$9.8 million allocated for the Economic Growth and Redevelopment Office (EGRSO) be instead allocated as follows: \$3.2 million to the Customer Assistance Program (CAP); \$3.2 million to energy conservation programs; and \$3.4 million to reducing Austin Energy's deficit. The resolution also recommended reallocating the \$300,000 designated for the CAP to EGRSO and replacing the voluntary contribution program for CAP with a voluntary contribution program for EGRSO on utility bills. Commissioner Webber offered the following addition to the resolution: "Whereas, the mission of EGRSO is worthwhile and important, so much so that the City should pay for it directly." **Motion to approve the resolution by Chair Schmandt, seconded by Commissioner Fath, passed on a vote of 6-0.**

Chair Schmandt presented a second resolution calling for the appointment of a Public Budget Ombudsman to assist the Commission with oversight regarding the development of Austin Energy's budget. **Motion to approve the resolution by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 4-1-1, with Vice Chair Shaw voting no and Commissioner Bernfeld abstaining.**

#### **STAFF REPORTS AND BRIEFINGS**

10. Monthly Financial Report – presented by Steve Machicek, Corporate Accounting Director.
11. Monthly Deferred Payment Arrangements and Disconnections Report – presented by J.J. Gutierrez, Customer Care Vice President.
12. ARRA-funded Weatherization Program Update – presented by Karl Rabago, Distributed Energy Services Vice President.
13. Reliability Compliance Report – presented by Andrew Gallo, Reliability Compliance Director.
14. **FUTURE AGENDA ITEMS AND REQUESTED BRIEFINGS ON UPCOMING PROCUREMENTS** – Commissioners requested that the Imagine Austin briefing be presented in November.
15. **APPROVAL OF REVISED BYLAWS** – This revision resulted from an amendment made by Council to the ordinance governing Boards and Commissions which lengthened the term for officers from two consecutive one-year terms to three consecutive one-year terms. **Motion to approve by Commissioner Fath, seconded by Commissioner Smaha, passed on a vote of 6-0.**
16. **ELECTION OF OFFICERS** – **Motion to re-elect Phillip Schmandt as Chair by Commissioner Shaw, seconded by Commissioner Shaha, passed on a vote of 6-0. Motion to re-elect Linda Shaw as Vice Chair by Commissioner Bernfeld, seconded by Chair Schmandt, passed on a vote of 6-0.**
17. **ADJOURN** – Chair Schmandt adjourned the regular meeting of the Electric Utility Commission at 9:59 p.m. without objection.

**RESOLUTION NO \_\_\_\_\_**

**WHEREAS**, Section 552.133 of the Texas Government Code provides an exception to the Texas Public Information Act for documents containing certain information relating to Austin Energy that the City Council determines in good faith to be “competitive” in nature, that is, which would, if disclosed, give advantage to competitors in the electric market; and

**WHEREAS**, on December 1, 2005, the City Council adopted Resolution No. 20051201-002, which among other things set forth those categories of information the council deemed competitive under Section 552.133 and also imposed certain reporting requirements upon the City Manager regarding Austin Energy; and

**WHEREAS**, there are generally increased efforts by governmental bodies that contemplate increasing the transparency of municipal utility data and required information reporting, such as the U.S. Federal Energy Regulatory Commission’s Docket No. RM10-12-000 and the Public Utility Commission of Texas’ efforts to address disclosure of generator data; and

**WHEREAS**, Austin City Council is the public power utility governing body of Austin Energy and has exclusive authority, per Section 552.133(a) of the Texas Government Code, to determine what information is a confidential “competitive matter” that can be withheld from the customer-owners of Austin Energy; and

**WHEREAS**, the principles of open government and public disclosure require that any exceptions to these principles be allowed only to the extent necessary to accomplish the goal of maintaining the electric utility’s ability to operate in the public’s best interest and that any exceptions be limited in duration and mitigated to the fullest extent possible by other means of public reporting; and

**WHEREAS**, the City Council strongly believes in public process and open government and, through transparency hearings before the Electric Utility Commission, has received significant input from a diverse cross-section of citizens who believe that the interests of the community would be best served by an open and transparent release of utility information;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

1. **AUSTIN ENERGY INFORMATION IS PRESUMED TO BE PUBLIC:** All electric utility information shall be presumed to be open to the public unless a

specific exemption is made by City Council or is provided by a law other than Texas Government Code §551.133.

2. **EXCEPTIONS TO DISCLOSURE:** The City Council, in the exercise of good faith, and subject to paragraphs 3 and 4 below, hereby determines that the information listed on Exhibit A to this resolution constitutes “competitive matters” because it is related to the competitive activity of Austin Energy, and that, for the reasons including but not limited to those set out as to each matter, would provide advantage to competitors of Austin Energy if disclosed. The City Council authorizes the City Manager to determine which documents and other information are reasonably related to the matters set forth in Exhibit A and to seek to preserve their confidentiality through the procedures provided for by the Texas Public Information Act.
3. **REGULATORY REQUIREMENTS:** Notwithstanding any provision of this resolution, information required to be reported to any governmental authority or ERCOT on a non-confidential basis shall not be deemed competitive and shall be made publically accessible by the City Manager contemporaneously with its filing with the governmental authority. Information filed on a confidential basis shall be made publically accessible by the City Manager when it ceases to be held on a confidential basis by the governmental authority.
4. **INDUSTRY PRACTICE:** The City Council is designating certain information as competitive only as necessary to establish a level playing field between Austin Energy and its competitors in the electric market. In some cases, privately-owned utilities or retail providers may file information with governmental authorities under filing requirements that do not apply to municipally-owned utilities such as Austin Energy. Therefore, even if information falls within a category designed as competitive in this resolution, the City Manager shall disclose it at comparable times and detail as do privately-owned utilities or retail providers in the ERCOT market. For example, such requirements may include material contract reporting required by the Securities and Exchange Commission (SEC), rate back-up information required by the Public Utility Commission of Texas (PUCT), and other financial reporting required by the SEC.



5. **CASE-BY-CASE DETERMINATION:** Before seeking a determination from the Attorney General, the City Manager shall review each request for information that concerns a competitive matter to determine whether the specific information requested would not in fact materially harm the competitive position of the electric utility if disclosed, and, except for customer electric consumption, credit, and personal information, the City Manager shall release such information if it is determined the no material harm would result in the specific circumstance. In making the determination, the City Manager shall begin with a presumption that the information should be made public. If denying a request, the City Manager shall state the specific reasons for the denial and shall make a report of request denials to the Electric Utility Commission on a quarterly basis. The Electric Utility Commission may make recommendations to the City Council regarding the merits of any denial and the contents of this resolution.
6. **PUBLICATION AND AVAILABILITY OF INFORMATION:** The City Manager shall establish a standardized reporting process that makes information regarding the finances, operations, and plans of the electric utility available to the public both on-line and on paper, including:
- a. **Standardized Reports:** The City Manager shall publish, at a minimum, reports on the information set forth in Exhibit B on an annual or monthly basis and on the information set forth in Exhibit C as it may arise.
  - b. **Convenient Public Access:** The City Manager shall:
    - i. compile and provide convenient public access to public financial and operational information and information reported to governmental authorities, including internet access by site index, word search, and public information portal;
    - ii. continue efforts to identify, compile, and make readily available information that may be of recurrent interest to the public;
    - iii. maintain on-line access to all current and historical regulatory, EUC, annual, and monthly reports at a single, readily-accessible location on Austin Energy's website, along with contact information for assistance in locating information;

- iv. maintain website links to regulatory agencies where information filed by Austin Energy can be found;
- v. make information available in a timely manner for public review before any public discussion at Commission or Council meetings.

c. **Information Requests:** The City Manager shall:

- i. implement a formal open records process at the electric utility so that all information is provided under a standard and documented procedure within the time limits required by the Texas Public Information Act;
- ii. provide on-line access to current and prior information requests, including the request and all documents provided in response or the denial response as applicable;
- iii. provide a dedicated resource to maintain the reporting required by this resolution, as well as provide assistance to citizens or customers in locating facts and identifying sources of information that may be responsive to the citizen's or customer's inquiry.



**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 9/23/2010**

**Subject:** Authorize award and execution of a contract with HYDRATIGHT LIMITED, Antigo, WI, for the purchase of turbine engine maintenance tools for use at Decker Creek Power Station in an amount not to exceed \$164,248.

**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 attached.

**Agenda Category:** Purchasing Office

**For More Information:** Shawn Harris, Sr. Supervising Buyer, 505-7351

**Prior Council Action:**

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**Purchasing Language:** Sole 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.

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This contract is for the purchase of a set of specialized maintenance tools to be used to perform complete overhauls on the eight existing Pratt & Whitney gas turbine engines in operation at Austin Energy's Decker Creek Power Station.

These tools are specifically designed, sized, and manufactured to meet original equipment manufacturer or OEM specifications for these turbines. Decker Mechanical Maintenance employees will receive training in the use of these tools in order to perform overhauls internally. The cost of hiring a contractor to perform one overhaul could exceed \$380,000 and Decker Creek Power Station could potentially require seven overhauls within the next four years. Purchasing the tools will allow Austin Energy's own trained personnel to perform overhauls resulting in significant cost savings, as well as reducing the time an engine is out of service for planned maintenance.

Hydratight Limited, who only sells direct, was commissioned by Pratt & Whitney as the only manufacturer of these tools specifically designed for these gas turbines.



**Purchasing Service Agreement**

**CITY OF AUSTIN**

**AGENDA DATE: 9/23/2010**

**RECOMMENDATION FOR COUNCIL ACTION**

**Subject:** Authorize award and execution of a contract with PUFFER-SWEIVEN, Stafford, TX, for the purchase of a hardware and software upgrade for the Delta V software at Decker Creek Power Station, in an amount not to exceed \$144,000.

**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 attached.

**Agenda Category:** Purchasing Office

**For More Information:** Shawn Harris, Supervising Sr. Buyer, 505-7351

**Prior Council Action:**

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**Purchasing Language:** Sole 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 is for the purchase of an upgrade for the hardware and software to the Delta V control system at Austin Energy's Decker Creek Power Station. The Delta V System is the primary control and record system for the Atmos and Enterprise gas yards which supply fuel to the boiler and turbine electrical generation units.

The system includes the temperature and valve control network that regulates the gas turbines, as well as the environmental conservation data of water flows and the Continuous Emissions Monitoring System required by regulatory authorities. The current Delta V system is obsolete and no longer supported. The City is required to provide a reliable and dependable supply of data from the Delta V system to the Texas Commission for Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), the Electric Reliability Council of Texas (ERCOT), the North American Electric Reliability Corporation (NERC), and the Federal Energy Regulatory Commission (FERC). The inability to provide this information, in the event of a system failure, would result in significant fines and penalties from these regulatory agencies.

Puffer-Sweiven is the exclusive authorized distributor and sales representative for the Delta V system in this region.



**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 9/23/2010**

**Subject:** Authorize award and execution of a 12-month requirements service contract with OPENLINK INC, Houston, TX, for the purchase of software maintenance and services in an estimated amount not to exceed \$136,230, with four 12-month extension options in estimated amounts not to exceed \$143,041 for the first extension option, \$150,193 for the second extension option, \$157,703 for the third extension option, and \$165,588 for the fourth extension option, for a total estimated contract amount not to exceed \$752,755.

**Amount and Source of Funding:** Funding in the amount of \$136,230 is included in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

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

**Agenda Category:** Purchasing Office

**For More Information:** Art Acuña, Senior Buyer, 322-6307

**Prior Council Action:** August 5, 2004 – Approved a 12-month service contract with three 12-month extension options for maintenance and support.

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**Purchasing Language:** Sole Source.

**MBE/WBE:** This contract will be awarded in accordance with Chapter 2-9C 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.

On August 5, 2004, City Council authorized a contract with OpenLink for implementation of software and maintenance services for a risk management and deal capture system, with three 12-month extension options for maintenance and support in a total amount not to exceed \$1,935,000. The OpenLink Endur system has been in use by Austin Energy (AE) since July of 2005 and the extension options for maintenance services have been exhausted.

This contract will provide extended maintenance services for an additional five years to allow continued support of the system. The maintenance contract provides for software support and version upgrades.

The OpenLink system tracks power purchases and sales, as well as natural gas purchases and associated hedges. It is critical for deal entry or capture, deal valuations, deal confirmations, counterparty credit monitoring, and ultimately, output for invoice reconciliation and payment. Without the authority to continue receiving maintenance services, this software system will be left unsupported. Significant capital and time would be required in order to replace this system. Without support, Austin Energy would be vulnerable should the system experience software problems. In addition, Austin Energy would be unable to acquire software upgrades should the system's current version become obsolete.

Openlink is the only vendor able to provide this maintenance and support for this system. Openlink is the sole owner of the software and software source code; therefore, the only party able to address necessary fixes to the source code and provide version upgrades to its software.



**Purchasing Office  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 9/23/2010**

**Subject:** Authorize award, negotiation, and execution of a 60-month requirements service contract through the State of Texas Department of Information Resources (DIR) cooperative purchasing program with SUMMUS INDUSTRIES, INC., (MBE/MB) Sugar Land, TX, for a Microsoft Enterprise License Agreement and Software Assurance in an estimated amount not to exceed \$14,538,229.

**Amount and Source of Funding:** Funding in the amount of \$1,227,966 is contingent upon the approval of the Fiscal Year 2010-2011 Proposed Capital Budget of Communication and Technology Management. Funding in the amount of \$1,143,424 is contingent upon the approval of the 2010-2011 Proposed Operating Budgets of Austin Energy, Austin Bergstrom International Airport, Austin Water Utility and Austin Convention Center. Funding for the remaining 48 months of the contract is contingent upon available funding in future budgets.

**Fiscal Note:** Fiscal notes are attached.

**Agenda Category:** Purchasing Office

**For More Information:** Mick Osborne, Specialist Sr. Buyer, 974-2995

**Boards and Commission Action:** Recommended by the Airport Advisory Commission, Water and Wastewater Commission. To be reviewed by the Electric Utility Commission on September 20, 2010.

**Purchasing Language:**

**MBE/WBE:** This Cooperative Purchase is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9C 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.

This contract is for a Microsoft Enterprise License Agreement (ELA) to update existing Microsoft infrastructure to current versions. This includes the Windows desktop operating system (Windows 7), Microsoft Office (Office 2007/2010), email (Exchange 2010), authentication/login (Active Directory), collaboration of shared documents (SharePoint), and associated server software. This back-end infrastructure will take at least six months to upgrade before employees will start seeing the benefits of the new Microsoft software. From the employee's point of view, this means a new desktop and office environment with new back-end systems for added functionality.

Microsoft is the industry leader in the enterprise desktop space. Their office suite of applications has widespread acceptance across the business and government technology environment. The advantages of this contract include:

- Volume pricing schedule
- The ability to spread the payment over five years
- Providing a standard platform across all City departments to ensure consistency, lower support costs, and ease of communication.

The standard desktop in the City is currently using Windows XP, which was released in 2001. Regular support has ended and extended support is scheduled to end in April 2014. Extensive application testing must take place before beginning a comprehensive deployment of a new operating system. Therefore, the City must begin now to have 10,000+ PCs upgraded by that time. Failure to upgrade

poses an increased risk of not being able to utilize new business applications that are dependent on the new version of Windows. Compatibility issues are already occurring when employees receive files from outside vendors and customers.

“Software Assurance” is included with the Enterprise License Agreement. This will allow version upgrades as they become available with no additional cost to the City. Software Assurance provides additional benefits such as tools to assist in the deployment process. The Microsoft Desktop Optimization Pack (MDOP) reduces costs associated with the entire PC life cycle by allowing better management and control of PC resources. Training vouchers are included based on the amount of software under the assurance program. These can be used by City IT staff for training on the new technologies to ensure a smooth transition to the new infrastructure. Another key benefit of Software Assurance is the provision for “home use” of the Microsoft office software suite for the cost of the media alone (\$10).

To keep up with technology, the City has three options:

- Purchase the recommended ELA including software assurance (estimated cost is \$3 million per year for years two through five)
- Purchase the software needed now, and then purchase an upgrade in four years (estimated cost is an additional \$1 million more than the ELA)
- Purchase the software needed (individual licenses) with software assurance (estimated cost is an additional \$3 million more than the ELA)

Given the lower cost and the benefits of included Software Assurance, the Microsoft Enterprise License Agreement is the most efficient and cost-effective option. The total estimated amount of the RCA includes a 2% contingency for license “true up.” A true up is the cost of adding more licenses to reflect increased staffing levels or new products needed for new functionality.

The updated version of the Windows operating system (Windows 7) and application software will not run on the majority of the City’s existing computer hardware. This RCA is coupled with a PC lifecycle RCA for General Fund and Support Services Departments which will provide for the replacement of all PCs in those departments over a five-year period to ensure that the software purchased with this RCA will have an environment in which to run.

There are a series of four RCAs, that combined together, fulfill the City’s goal to put PC hardware for the general fund and the software for the City on a lifecycle:

- PC refresh for the general fund puts the PCs on a five-year lifecycle through a financing agreement with Dell.
- Microsoft Enterprise Licensing Agreement allows the City to put all desktop software and most of the other Microsoft products on a citywide agreement purchased via Summus Industries.
- Microsoft Enterprise Licensing Agreement for the Library allows the city to put all the desktop software and most of the other Microsoft products for the Library on an agreement purchased via Dell. (Summus is not authorized to sell the educational license agreements).
- The pre-deployment engineering services RCA was approved by Council on July 29 to facilitate the deployment of new PCs purchased via a financing deal with Dell.



**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 9/23/2010**

**Title:** 092310 AE DIR HW

**Subject:** Authorize award and execution of various supply and service contracts during the Fiscal Year 2010-2011 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) cooperative purchasing program Austin, TX, for the purchase of computer hardware products, including maintenance, training, information technology services, and telecommunication products and services in an estimated amount not to exceed \$9,488,628.

**Amount and Source of Funding:** Funding in the amount of \$8,377,700 is contingent upon the approval of the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding in the amount of \$1,110,920 is contingent upon the approval of the Fiscal Year 2010-2011 Operating Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**Agenda Category:** Purchasing Office

**For More Information:** Art Acuña, Senior Buyer, 322-6307

**Prior Council Action:**

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**Purchasing Language:**

**MBE/WBE:** This Cooperative Contract is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). However, the Small & Minority Business Resources (SMBR) Department will assist in the identification of subcontracting opportunities on a case by case basis.

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This authorization will enable Austin Energy (AE) to purchase various computer, communication and network hardware products, technology implementation services, and maintenance services. Items to be purchased through this contract include, but are not limited to, desktop PCs, laptop computers, servers, tablet computers, rugged laptops, thin client terminals, data storage systems, storage area networks, telephony equipment, networking equipment, and mobile computer mounts. Awards will also include networking and communication products and maintenance services for AE's Local and Wide Area Networks and telephone systems such as switches, routers, and other equipment used to interconnect desktop computers, servers, and printers throughout AE and to transmit and receive information via the Internet/Intranet.

The State of Texas' Department of Information Resources or DIR continues to provide additional products and services through its program at competitively bid discounted prices. The purchasing power of the State of Texas is used to leverage purchasing effectiveness. All technology requests will undergo AE technology review to ensure compliance with AE's enterprise architectural standards and technology compatibility with existing systems.

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**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 9/23/2010**

**Subject:** Authorize award and execution of various supply and service contracts during the Fiscal Year 2010-2011 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program, Austin, TX, for the purchase of computer software products including maintenance, training, and information technology services for Austin Energy in an estimated amount not to exceed \$11,777,698.

**Amount and Source of Funding:** Funding in the amount of \$4,220,000 is contingent upon the approval of the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding in the amount of \$7,557,698 is contingent upon the approval of the Fiscal Year 2010-2011 Operating Budget of Austin Energy.

**Fiscal Note:** A fiscal note is attached.

**Agenda Category:** Purchasing Office

**For More Information:** Art Acuña, Senior Buyer, 322-6307

**Prior Council Action:**

**Boards and Commission Action:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**Purchasing Language:**

**MBE/WBE:** This Cooperative Contract is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). However, the Small & Minority Business Resources (SMBR) Department will assist in the identification of subcontracting opportunities on a case by case basis.

This authorization will enable Austin Energy (AE) to purchase various software products, technology implementation services, and maintenance services through contracts with the Department of Information Resources (DIR). Awards will also include networking and communication software products and maintenance services for AE's Local and Wide Area Networks, as well as communication systems used to interconnect desktop computers, servers, and printers throughout AE and to transmit and receive information via the Internet/Intranet.

DIR has continued to provide additional products and services through its program at competitively bid discounted prices. The purchasing power of the State of Texas is used to leverage purchasing effectiveness. All technology requests will undergo AE review to ensure compliance with AE's enterprise architectural standards and technology compatibility with existing systems.



**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 9/23/2010**

**Subject:** Authorize award and execution of a 12-month requirements service contract with SCHNEIDER ELECTRIC USA, INC., dba SQUARE D COMPANY, Alameda, CA, for the purchase of Energy Profiler Online (EPO) application hosting services in an amount not to exceed \$120,600, with four 12-month extension options in estimated amounts not to exceed \$125,424 for the first extension option, \$132,950 for the second extension option, \$140,927 for the third extension option, and \$149,383 for the fourth extension option, for a total estimated contract amount not to exceed \$669,284.

**Amount and Source of Funding:** Funding in the amount of \$120,600 is contingent upon the approval of the Fiscal Year 2010-2011 Proposed Operating Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

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

**Agenda Category:** Purchasing Office

**For More Information:** Art Acuña, Senior Buyer/322-6307

**Prior Council Action:**

**Boards and Commission Action:** To be reviewed by Electric Utility Commission on September 20, 2010.

**Purchasing Language:** Sole Source.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C 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 purchase of annual license, maintenance services, and operation fees to continue an Internet-based Load Profiling energy management application hosting service for Austin Energy (AE). The initial contract for purchase of the Energy Profiler Online (EPO) software and application hosting service was executed on August 30, 2002 with ABB, Inc. and the contract will expire on October 12, 2010. In March of 2004, Power Measurement, Inc. acquired ABB's Retail Energy Software and Systems group, and on April 13, 2005, Schneider Electric, a business group of Square D, completed the acquisition of Power Measurement.

Load profiling allows business customers of AE to monitor their daily energy usage over the Internet through a secure website hosted by Square D. The load profiling service is a convenient and user-friendly means by which customers can identify wasteful energy practices and verify improved conservation measures. This access to energy information is the service most often requested by AE's major business customers. In addition to providing load profiling services to external customers, it also serves as a means by which AE and City of Austin staff verify customer load levels for conservation validation, for solar generation, for curtailment activities by customers participating in its Load Coop program, or for validation of data in the new Automated Meter Expansion program. The quantity of meters whose information is posted on the site has grown from 306 in 2006 to over 1100 in 2010.

Square D holds copyright and trade secret rights to its proprietary software and hosting service. The data provided to customers through Square D is licensed and non-transferable, making replacement

with another service vendor infeasible. Replacement would result in unreasonable expense, breaching contracts with electric customers serviced via Square D, and an egregious service interruption to AE's commercial and industrial customers. Further, AE and City of Austin staff would lose a valuable efficient tool to easily access the electric profile data of its largest customers, City buildings, solar generators, and other metered locations.

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**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: CREATIVE CONSUMER RESEARCH**

**AGENDA DATE: 10/14/2010**

**SUBJECT:** Authorize award, negotiation, and execution of a 12-month requirements service contract with CREATIVE CONSUMER RESEARCH, INC., Stafford, TX, for marketing research service studies in an estimated amount not to exceed \$300,000, with four 12-month extension options in an estimated amount not to exceed \$300,000 per extension option, for a total estimated contract amount not to exceed, \$1,500,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$300,000 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining extension options is contingent upon available funding in future budgets.

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

**PURCHASING:** Best evaluated proposal of three proposals received.

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C 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.

**FOR MORE INFORMATION CONTACT:** Gabriel Guerrero, Buyer II/322-6060

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The work provided through this contract will provide Austin Energy (AE) with a marketing research firm to conduct quantitative and qualitative customer service related studies of its customers' needs, concerns, and opinions. The studies include a full range of data collection techniques such as telephone interviews, surveys, focus groups, and personal interviews. Specific services will include monitoring the attitudes and perceptions of Austin's citizens and businesses regarding their satisfaction levels with AE's service and insight regarding the programs and services valued by the customer. AE will utilize results from the studies to make business and marketing decisions. These ongoing studies will provide trend data to analyze the impact of program and service offerings and related events on the attitudes and opinions of AE's customers.

An AE team with marketing research and marketing program development experience evaluated the proposals based on:

- 1) Standard Marketing Research Data Collections and Analysis Experience.
- 2) Applicable Project Related Experience.

- 3) Presenting Marketing Research Findings and Reports Experience.
- 4) Personnel Qualifications.
- 5) Professional References.
- 6) Total Evaluated Cost.

MBE/WBE solicited: 31/30

MBE/WBE bid: 1/0

The evaluation team unanimously recommended Creative Consumer Research, Inc. as the best proposer to perform Marketing Research Service Studies and their subcontractor, Austin Market Research (WBE) to provide Data Collection Services.

**RFP No. GGU0005**

**Marketing Research Service Studies**

**PROPOSAL ANALYSIS**

- a. Adequate competition.
- b. Three hundred, eighty-six notices were sent, including 31 MBE/30 WBEs. Three proposals were received, including one response from a MBE and no response from the WBEs.

**APPROVAL JUSTIFICATION**

- a. Best evaluated proposal received. Creative Consumer Research, Inc. is the current provider of these services.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**MARKETING RESEARCH SERVICE STUDIES**

<b>Evaluation Category</b>	<b>Maximum Points</b>	<b>Creative Consumer Research Stafford, TX</b>	<b>The Center for Research Meriden, CT</b>	<b>Customer Research International San Marcos, TX</b>
<b>Standard Marketing Research Data Collections and Analysis Proposed</b>	30	26	*	22.66
<b>Demonstrated Applicable Experience</b>	10	9	*	7.33
<b>Demonstrate Expertise w/Presenting Marketing Research Findings and Reports</b>	15	12.66	*	10.33
<b>Personnel Qualifications</b>	10	9	*	8
<b>Professional References</b>	10	9	*	8.66
<b>Total Evaluated Cost</b>	25	25	*	14.65
<b>Total</b>	<b>100</b>	90.66	*	71.63
*The Center for Research's Proposal was deemed non responsive due to incomplete proposal.				

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 10/14/2010**

**VENDOR NAME: MALDONADO NURSERY & LANDSCAPING, INC.**

**SUBJECT:** Authorize award and execution of a 12-month requirements service contract with MALDONADO NURSERY & LANDSCAPING, INC., San Antonio, TX, (MBE/MB-100%) for Grounds Maintenance Services in an estimated amount not to exceed \$57,668, with four 12-month extension options in an estimated amount not to exceed \$57,668 per extension option, for an estimated total contract amount not to exceed \$288,340.

**AMOUNT AND SOURCE OF FUNDING:** Funding is included in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the 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

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**PURCHASING:** Best evaluated bid of six bids received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C 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.

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This service agreement will provide labor, equipment and supervision for performing routine grass mowing and edging at Austin Energy (AE) substations, power plants, and other facilities. The contract will provide a consistent standard for landscaping and grounds maintenance to assure appropriate landscape management and lawn care. The Contractor will be responsible for maintaining all equipment necessary for proper maintenance of each location. The Contractor's employees will be required to pass AE's security screening process before they may work at any AE location. The Contractor's equipment has been manufactured since 2007 and, therefore, supports the City's emissions reduction programs.

MBE/WBE solicited: 17/9

MBE/WBE bid: 2/0

**BID TABULATION**  
**IFB (Best-Value TVN0054**  
**Grounds Maintenance Services**

<b><u>Vendor</u></b>	<b><u>Total Bid-Annual Service</u></b>
<b>Maldonado Nursery &amp; Landscaping, Inc., San Antonio</b>	<b>\$57,668</b>
Advance Landscape Designs, Austin	\$102,110
International Building Services, Austin	\$124,547 *
Southwest Key Maintenance, LLC, Austin	\$125,080
Avery's Lawncare & Landscape, Austin	\$142,890
Pampered Lawns Austin, Inc., Austin	\$209,570

- \* International Building Services' bid did not offer pricing as required in the IFB, therefore, was considered non-responsive.

A best value invitation for bid process was used for this solicitation. An Austin Energy team with expertise in landscaping and grounds keeping including sustainability evaluated the bids for the best value to the City. Evaluation criteria included experience, equipment, sustainable business practices and total evaluated cost. A 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. One hundred, twenty-two notices were sent including 17 MBE/9 WBEs. Six bids were received, including two MBEs and no response from the WBEs.
- c. The pricing offered represents a 40% decrease from the last contract award made in May 2005. The change is due primarily to the larger scale of Maldonado's operations and more efficient equipment than the previous Contractor.

**APPROVAL JUSTIFICATION**

- a. Best evaluated bid. Maldonado is not the current provider of this service.
- b. The Purchasing Office concurs with the Austin Energy's recommended award.
- c. Advertised on the Internet.



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

**AGENDA DATE: 10/14/2010**

**SUBJECT:** Authorize award and execution of a 24-month requirements supply contract with TECHLINE, INC., Austin, TX, for vacuum switches in an estimated amount not to exceed \$1,189,200 with three 12-month extension options in an estimated amount not to exceed \$594,600 per extension option, for a total estimated contract amount not to exceed \$2,973,000.

**AMOUNT AND SOURCE OF FUNDING:** Funding in the amount of \$594,600 is available in the 2010-2011 Capital Budget of Austin Energy. Funding for the remaining 12 months of the original contract period and extension options is contingent upon available funding in future budgets.

**FISCAL NOTE:** A fiscal note is attached.

**FOR MORE INFORMATION CONTACT:** Gage Loots, Buyer II/322-6118

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**PURCHASING:** Lowest bid of two 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.

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The contract will provide an annual supply of vacuum interrupter switches on an as-needed basis to support the operations of Austin Energy's network construction and maintenance staff. These switches are to be used throughout the Austin Energy network vault protection system to prevent equipment damage that could result in fires or explosions. The switches have an overcurrent relay that can sense a fault occurring. This allows the switch to open and disconnect the energized equipment inside the electrical service vault. Vacuum interrupter switches also create a safe work environment while Austin Energy maintenance crews perform repairs on de-energized equipment.

MBE/WBE solicited: 2/2

MBE/WBE bid: 0/0

**BID TABULATION**  
**IFB TVN0057**  
**(1 line item, quantity 40 each)**

<b><u>Vendor</u></b>	<b><u>Unit Price</u></b>	<b><u>Total Bid Amount</u></b>
<b>Techline, Inc. Austin, TX</b>	<b>\$14,865</b>	<b>\$594,600</b>
Texas Electric Cooperative Georgetown, TX	\$14,998	\$599,920

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-four notices were sent including two MBE's and two WBE's. Two bids were received, with no responses from the MBE/WBE's.
- c. The pricing offered represents a 9% increase from the last contract award made in June 2006.

**APPROVAL JUSTIFICATION**

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

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION  
VENDOR NAME: HAVERFIELD AVIATION, INC.**

**AGENDA DATE: 10/28/2010**

**SUBJECT:** Authorize award and execution of a 12-month requirements service contract with HAVERFIELD AVIATION, INC., Gettysburg, PA, for aerial maintenance services for Austin Energy in an estimated amount not to exceed \$144,724, with three 12-month extension options in an estimated amount not to exceed \$144,724 per extension option, for a total estimated contract amount not to exceed \$578,896.

**AMOUNT AND SOURCE OF FUNDING:** Funding in the amount of \$132,664 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining one month 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:** Shawn Harris, Supervising Sr. Buyer/505-7351

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**PURCHASING:** Sole bid received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-C 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.

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This contract will provide Austin Energy (AE) with labor, supervision, and equipment including helicopters for the performance of aerial insulator washing and maintenance services on transmission circuits with voltages ranging from 69kV to 345kV on an as needed basis. The washing is done during one week each year to remove bird contamination and dirt build-up on the insulator which affects system reliability on the transmission grid. Additionally, maintenance can be performed during this week without having an outage which also assists AE in system reliability. Additional services which may be required on an as-needed basis include: aerial inspection of steel, wood, concrete, and lattice tower structures, insulators, conductors, and hardware; obtaining global positioning system points at each structure location; and static wire, spacer, or damper removal and/or installation.

MBE/WBE solicited: 5/1

MBE/WBE bid: 0/0

**BID TABULATION**

**IFB No. SMH0022  
Aerial Maintenance Service  
(14 - line items)**

**Vendor****Total Bid**

**Haverfield Aviation, Inc  
Austin, TX**

**\$144,724**

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. Sole bid. The bid opening date was extended in an effort to secure more bids without success. This service is very specialized and thus vendors capable of providing it are very limited.
- b. Seventy-five notices were sent, including five MBEs and one WBE. One bid was received with, no response from the MBE/WBEs.
- c. The pricing offered represents a 9% increase to the last contract award made in August 2006.

**APPROVAL JUSTIFICATION**

- a. Sole bid received. Haverfield Aviation, Inc. is the current provider of this service.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN – PURCHASING DEPT.  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA DATE: 10/14/2010**

**VENDOR NAME: AIR LIQUIDE AMERICA SPECIALTY GASES, LLC**

**SUBJECT:** Authorize award and execution of a 12-month requirements supply contract with AIR LIQUIDE AMERICA SPECIALTY GASES, LLC, Houston, TX, for the purchase of specialty EPA protocol gases and gas cylinder management services for Austin Energy in an estimated amount not to exceed \$48,913, with four 12-month extension options in an estimated amount not to exceed \$48,913 per extension option, for a total estimated contract amount not to exceed \$244,565.

**AMOUNT AND SOURCE OF FUNDING:** Funding in the amount of \$48,913 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the 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:** Shawn Harris, Sr. Supervising Buyer/505-7351

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**PURCHASING:** Lowest bid of two 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.

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The contract is for the purchase of specialty EPA protocol gases and the rental and management of cylinders for use by Austin Energy. These gases are used to calibrate analyzers that continuously measure concentrations of different pollutants including Nitrous Oxides (NOx) and Carbon Monoxide (CO). The Environmental Protection Agency (EPA) mandates that Austin Energy monitor pollutant emissions from turbine stacks and requires that the analyzers used in monitoring be calibrated daily. Therefore, a continuous supply of these items is required for compliance in Austin Energy operations. Failure to do so would result in non-compliance with EPA regulations and could result in notice of violations from the EPA or fines.

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

**BID TABULATION**

IFB SMH0020

Specialty EPA Protocol Gases & Cylinder Rentals  
(28 Lines)**Vendor****Air Liquide America Specialty Gases, LLC  
Houston, TX****Total Price****\$48,913.00**Airgas Southwest  
Austin, TX

\$55,815.80

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. Twenty-three notices were sent, including one MBE and one WBE. Two bids were received, with no response from the MBE/WBEs.
- c. The pricing offered represents a 3% decrease from the last contract awarded in September 2006.

**APPROVAL JUSTIFICATION**

- a. Lowest bid received. Air Liquide America Specialty Gases, LLC is the current provider of this product.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

**CITY OF AUSTIN - PURCHASING DEPT.****AGENDA DATE: OCTOBER 14, 2010****RECOMMENDATION FOR COUNCIL ACTION****VENDOR NAMES: VOLATILITY MANAGERS; MANAGEMENT APPLICATIONS CONSULTING**

**SUBJECT:** Authorize award, negotiation, and execution of an 18-month requirements service contract with VOLATILITY MANAGERS LLC, Green Mountain Falls, CO, and MANAGEMENT APPLICATIONS CONSULTING, INC., Reading, PA, for consulting services for performing residential consumer independent rate advisor services for Austin Energy in an estimated amount not to exceed \$97,340 for Phase I (Participation in Public Involvement Committee process), with one 18-month extension option to provide additional services in an estimated amount not to exceed \$162,600 for Phase II (Rate Proceeding Support), for a total estimated contract amount not to exceed \$259,940.

**AMOUNT AND SOURCE OF FUNDING:** Funding in the amount of \$75,000 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining six months of the original contract period and extension option 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:** Rosemary Ledesma, Purchasing Manager 322-6155; Mark Dreyfus, Director of Regulatory and Government Affairs, Austin Energy 322-6544.

**PURCHASING LANGUAGE:** Best evaluated proposal of three proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C 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.

**BOARDS AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on September 20, 2010.

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This contract is for a Residential Rate Advisor to provide input to Austin Energy staff on cost of service, rate design, and related issues affecting residential consumers in Austin Energy's ongoing rate review. In Phase I, the Residential Rate Advisor will participate in the public involvement process, representing residential ratepayers. The Residential Rate Advisor will be responsible for analyzing the utility's rate structure, cost of service methodologies, and rate design for electric utility services. The Residential Rate Advisor will attend and participate in public meetings and will provide written reports to Austin Energy staff on issues and impacts of electric rates on residential customers.

The engagement includes an option to proceed to Phase II for additional services in support of the rate proceeding. In Phase II, the Residential Rate Advisor will review and analyze the final cost of service and rate design studies based on FY 2011 test year data. The Residential Rate Advisor will prepare a report on the cost of service and rate design studies and proposed rate structure. The Residential Rate Advisor will participate in ratemaking hearings and City Council processes and provide written

testimony as needed. The Residential Rate Advisor will also serve as an expert witness, prepare written expert testimony and if necessary appear before jurisdictional bodies.

An Austin Energy team evaluated the proposals and unanimously chose this proposal as the best with these firms proposing as a partnership to provide these services. The criteria evaluated included project concept and solutions and program proposed, demonstrated applicable experience of company and personnel, evidence of good organization and management practices, schedule, financial viability/stability, and total evaluated cost.

MBE/WBE solicited: 21/27 MBE/WBE bid: 0/0

#### PROPOSAL ANALYSIS

- a. Adequate competition.
- b. Seven hundred, ninety-three notices were sent, including 21 MBEs and 27 WBEs. Three proposals were received, with no response from the MBE/WBEs.

#### APPROVAL JUSTIFICATION

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.



## EVALUATION MATRIX

REQUEST FOR PROPOSAL NO. RML0022

Residential Customer Independent Rate Advisor

<b>PROPOSERS NAME:</b>		<b>Volatility Managers, LLC Green Mountain Falls, CO/ Management Applications Consulting, Inc. Reading, PA</b>	<b>Texas Legal Services Center Austin, TX</b>	<b>J. Stowe &amp; Co., LLC Austin, TX</b>
<b>Evaluation Factors</b>	<b># Possible points</b>			
<b>Project Concept and Solutions and Program Proposed</b> (Grasp of the requirement and its solutions(s), responsiveness to terms and conditions, completeness and thoroughness of the technical data and documentation.).	<b>25</b>	19	11	*
<b>Demonstrated Applicable Experience.</b> Company applicable experience, personnel qualifications and related experience, references.	<b>25</b>	20	18	
<b>Evidence of Good Organization and Management Practices</b>	<b>5</b>	3	2	
<b>Schedule</b> (Thoroughness of Proposer's proposed project schedule and ability to meet proposed implementation date.)	<b>10</b>	7	7	
<b>Financial viability/stability</b> (Verifiable evidence of financial strength, including but not limited to: financial ratings, financial statements and other similar documentation.)	<b>5</b>	0	2	
<b>Cost Proposal. Total Evaluated Cost.</b> The Proposer with the lowest cost proposed is given the maximum points; a percentage ratio formula is applied to remaining proposers.	<b>30</b>	30	19	
<b>Total Points:</b>	<b>100</b>	79	59	

\* J. Stowe & Co., LLC withdrew their proposal because they were awarded a contract under a related contract for the Utility Rate Study.

**CITY OF AUSTIN**  
**RECOMMENDATION FOR COUNCIL ACTION**

**SUBJECT:** Consider an ordinance amending the Electric Rate Schedule contained in Ordinance No. 20100913-004 to include primary service customers as eligible customers under the Coincident Load Special Contract Rider, eliminate the need for a written contract under the Independent School Districts Time-of-Use tariff, and extend the low-income fuel charge under the Residential Service Tariff beyond its current expiration date of March 1, 2011.

**AMOUNT & SOURCE OF FUNDING:** N/A

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

**PRIOR COUNCIL ACTION:** September 13, 2010 – Adopted Ordinance No. 20100913-004.

**BOARD AND COMMISSION ACTION:** To be reviewed by the Electric Utility Commission on September 20, 2010.

**FOR MORE INFORMATION CONTACT:** Andy Perny, Assistant City Attorney, 322-6277

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This ordinance will amend the electric rate schedule to (1) allow primary service customers to receive the coincident load special contract rate, eliminate the need for a written contract for the ISD time-of-use rate, and extend the low income fuel charge indefinitely past its current expiration date of March 1, 2011.

The coincident load rate currently applies to general service demand customers who have larger loads that can be shifted to off-peak hours, benefiting Austin Energy by reducing the need to maintain peak-load capacity. The rationale for the tariff would be served by also allowing primary service customers (i.e., those customers taking service at higher primary voltage) to participate as these loads may offer even greater peak savings.

The ISD time-of-use tariff currently requires a written contract from the customer desiring to receive the rate. However, there is no significant justification for requiring the additional step of negotiating written contracts with governmental school districts, and Austin Energy proposes to eliminate the requirement.

The residential service tariff currently provides for a waiver of the customer charge for qualifying low-income customers, and also places these customers on the Batch 1 GreenChoice fuel rate of \$.017/kwh, giving them a significant savings over the current regular fuel charge. When this rate was adopted, it was foreseen that Austin Energy would undergo a rate review prior to the expiration of Batch 1 in 2011, where the issue of low-income rates could be addressed. However, now that Austin Energy's rate revision is scheduled for late 2012, low-income customers now on the Batch 1 rate will experience a rate increase early next year unless further action is taken. Austin Energy therefore proposes to extend the \$.017 fuel rate for low-income customers indefinitely beyond March 1, 2011, allowing the rate to continue until a comprehensive rate review can be completed and enacted.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING THE ELECTRIC RATE SCHEDULE IN EXHIBIT A TO ORDINANCE NO. 20100913-004 TO EXTEND THE LOW-INCOME RESIDENTIAL FUEL CHARGE, ELIMINATE THE REQUIREMENT OF A WRITTEN CONTRACT FOR THE INDEPENDENT SCHOOL DISTRICTS TIME-OF-USE RATE, AND INCLUDE PRIMARY SERVICE CUSTOMERS IN THE COINCIDENT LOAD SPECIAL CONTRACT RIDER .**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** The Residential Service Tariff in Exhibit A to Ordinance No. 20100913-004, Austin Energy's Electric Rate Schedule, is amended to read:

**CITY OF AUSTIN  
ELECTRIC RATE SCHEDULE  
RESIDENTIAL SERVICE**

**Application:**

This rate is applicable to electric service required by residential customers in single-family dwellings, mobile homes, town houses, or individually metered apartment units. When a portion of a residence or household unit is used for non-residential purposes only as defined by Section 13-2-260 of the Austin City Code, this rate may be applied.

This rate is further applicable to any church, synagogue or other public place which is used for the purpose of conducting group religious worship services and whose demand for power does not qualify the facility for the general service – demand (E06) rate. This rate also applies to any church, synagogue or other place of public group religious worship services that would otherwise qualify under the general service – demand (E06) rate unless such customer opts in writing to receive service under the general service – demand (E06) rate as of the beginning of the following monthly billing period. Such option shall be binding for a period of not less than twelve months. This rate is not applicable for service to any dormitory, school, child care facility, lodge, gymnasium, meeting hall, office, or any other indoor or outdoor facility which is not used by the public for group religious worship services.

The customer charge shall be waived if the customer or a person residing in the household of a customer is either a certified recipient of Supplemental Security Income (SSI); an aged, blind, or disabled Medicaid recipient; or has been receiving assistance under one of the Travis County energy assistance programs (CEAP, FEMA, or ENTERP) or the Travis County Hospital District Medical Assistance Program (MAP) within the last twelve months. In addition, customers who qualify for the customer charge waiver shall be charged [an amount equal to the Batch 1 Green Power Charge in lieu of the residential fuel charge. This charge shall be applied to the customer's total metered monthly usage. However, this charge may be applied to a prorated usage per customer so as not to exceed the total 100,000 MWh allocated to this program. If the Batch 1 Green Power Charge exceeds the residential fuel charge, the residential fuel charge will be applied to the customer's total metered monthly usage. Austin Energy will re-evaluate the availability of energy allocated to this program as needed. The charge will only be applicable until March 1, 2011, the last date through which the Batch 1 Green Power Charge will be valid. A customer who receives the charge equal to the Batch 1 Green Power Charge but becomes ineligible for the customer charge waiver is not eligible to receive the charge equal to the Batch 1 Green Power Charge, but may participate in the GreenChoice<sup>®</sup> program by signing up for the GreenChoice<sup>®</sup> Batch and Green Power Charge in place through the GreenChoice<sup>®</sup> Energy Rider. Austin Energy will determine if a participant is eligible to continue to receive the customer charge waiver and the charge equal to the Batch 1 Green Power Charge by contacting each participant through a mail-out sent between October 1 and January 31] a fuel rate of \$0.017 per kilowatt hour in lieu of the rate set forth in the Fuel Adjustment Clause.

#### Character of Service:

The Character of Service provided under this rate shall be alternating current, 60 cycles, single phase or three phase, in accordance with the Utilities Criteria Manual prescribed by the City of Austin which may be amended from time to time. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter.

**PART 2.** The Independent School District Time-of-Use Tariff in Exhibit A to Ordinance No. 20100913-004, Austin Energy's Electric Rate Schedule, is amended to read:

### CITY OF AUSTIN ELECTRIC RATE SCHEDULE INDEPENDENT SCHOOL DISTRICTS TIME-OF-USE

Application:

~~[This rate is applicable to electric service required by all accounts in any independent school district upon execution of a separate contract for service under this rate.]~~

This rate is applicable to an independent school district account ~~[customer]~~ whose demand for power meets or exceeds 20 kilowatts for any month within the most recent six summer billing months or as determined by the City of Austin. This rate classification shall be applied for a term of not less than one year (twelve months) following the month in which the criteria are met. If a customer has made significant changes in its connected load which would prevent that customer from meeting or exceeding 20 kilowatts in any summer billing month and if the change has been certified by the Electric Utility, the City of Austin may waive the one year requirement.

Rider TOU – Thermal Energy Storage may be attached to this rate.

#### Character of Service:

The Character of Service provided under this rate shall be alternating current, 60 cycles, single phase or three phase, in accordance with the Utilities Criteria Manual prescribed by the City of Austin which may be amended from time to time. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter.

#### Rate (E23):

	Winter Billing Months of November through April	Summer Billing Months of May through October
On-Peak Energy Rate (E23)	2.47¢ per kWh, for all kWh	2.72¢ per kWh, for all kWh
Off-Peak Energy Rate (E23)	1.99¢ per kWh, for all kWh	2.02¢ per kWh, for all kWh
Demand Rate (ELD)		
On-Peak	\$5.68 per kW	\$7.95 per kW
Off-Peak	\$0.00 per kW	\$0.00 per kW

Fuel Adjustment Clause (FAC) - plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Tariff, multiplied by all kWh.

#### Minimum Bill:

Customer will be assessed a monthly Minimum Bill of \$12.00 if the above calculations result in a charge of less than \$12.00.

#### Billing Demand:

The kilowatt demand during the fifteen-minute interval of greatest use during the current billing month as indicated or recorded by metering equipment installed by the City of Austin. When power factor during the interval of greatest use is less than 85 percent, Billing Demand shall be determined by multiplying the indicated demand by 85 percent and dividing by the lower peak power factor.

**PART 3.** The Coincident Load Special Contract Rider in Exhibit A to Ordinance No. 20100913-004, Austin Energy's Electric Rate Schedule, is amended to read:

CITY OF AUSTIN  
ELECTRIC RATE SCHEDULE  
COINCIDENT LOAD SPECIAL CONTRACT RIDER

#### Application:

This rate applies to any General Service – Demand or Primary Service customer that executes a separate contract, in form and substance acceptable to the City of Austin, for this service. The contract will require the customer to remain a “full requirements” customer of the City of Austin for a period of one year. This tariff is specifically designed for General Service – Demand and Primary Service customers that have a peak demand during the system's off-peak period (midnight to 8 AM) that is significantly higher than their on-peak demand.

#### Character of Service:

The Character of Service provided under this rate shall be altering current, 60 cycles, single phase or three phase, in accordance with the Utilities Criteria Manual prescribed by the City of Austin which may be amended from time to time. Electric service of one standard character will be delivered to one point on the customer's premises and measured through one meter.

#### Monthly Rate:

#### Rate:

Winter  
Billing Months of

Summer  
Billing Months of

November through April

May through October

Energy Rate	1.45¢ per kWh for all kWh	1.45¢ per kWh for all kWh
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## Demand Rates:

Coincident Peak	\$8.35 per kW	\$9.10 per kW
Non-coincident Peak Rate	7.50 per kW	8.25 per kW

Customer Charge	\$250.00	\$250.00
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Fuel Adjustment Clause (FAC) – plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Tariff, multiplied by all kWh.

When the power factor during the interval of greatest use is less than 85%, each Demand charge shall be determined by multiplying the indicated demand by 85% and dividing by the lower peak power factor.

Minimum Bill: Customer will be assessed a monthly Minimum Bill of \$250.00 if the above calculations result in a charge of less than \$250.00.

## Definitions:

“Peak Period” is the time period during the billing month that a customer’s non-coincident peak demand may be set. The time periods are: 8:00 a.m. to midnight, Monday through Friday: May 1 through October 31, 8:00 a.m. to midnight, Monday through Sunday: November 1 through April 30.

“Non-coincident peak demand” is the customer’s kilowatt demand during the fifteen-minute interval of greatest use during the peak period for the current billing month as indicated or recorded by metering equipment installed by the City of Austin.

“Coincident peak demand” is the customer’s kilowatt demand during the one hour interval of greatest use on the City of Austin retail system during each of the customer’s billing months.

“Full requirements” service shall refer to generation, transmission and distribution (i.e. “bundled”) service as presently supplied by the City of Austin to customer.

## Terms and Conditions:

1 The Coincident Load Special Contract rider shall apply for a primary term of one year,  
2 and year to year thereafter until terminated by not less than 90 days notice by either  
3 party. The rate will begin when the first bill is rendered in the month following the  
4 effective date of this tariff, provided a separate contract has been executed between the  
5 City of Austin and the customer.

6  
7 Nothing in this tariff or the contract shall operate to prevent, prohibit, or delay the City  
8 of Austin from recovering "stranded" costs from the customer, to the extent authorized  
9 by law, including those described in the Public Utility Regulatory Act.

10  
11 If, notwithstanding the foregoing paragraph, any subsequent legislation would in any  
12 way operate to prevent, prohibit or delay recovery of the full amount, otherwise  
13 authorized by law, of "stranded" costs through any surcharge or additional charge or  
14 any new or revised rate level or element solely because of the existence or contents of  
15 this tariff or the contract, then the contract rates specified in this tariff for energy,  
16 demand and/or fuel shall be deemed to be changed by an amount designed to exactly  
17 equal the revenue the City of Austin would otherwise recover but for the existence or  
18 contents of this tariff or contract. Any change shall take effect on the same date that the  
19 surcharge, additional charge or new or revised rate level or element would otherwise go  
20 into effect. If necessary the change may take the form of a one-time charge, assessable  
21 prior to or after customer switches generation suppliers. To the extent possible, while  
22 still allowing full recovery of the otherwise authorized amount, the change shall be  
23 incorporated into prospective monthly recurring charges.

24  
25 The contract to be signed by customer shall explicitly incorporate the terms of the  
26 preceding two paragraphs, and also provide that the results contemplated by the  
27 paragraphs are essential and non-severable terms of the contract.

28  
29 Notwithstanding any provision of this tariff, neither customer nor the City of Austin  
30 shall be precluded from challenging the legal validity of any statute, regulations, or  
31 other provisions of law.

32  
33 If it is determined at any time by the City of Austin that the customer has not acted  
34 appropriately so that there can be compliance with the provisions of this tariff, then the  
35 customer will be immediately billed on the General Service Demand rate schedule, or as  
36 amended, from the date service was first commenced under this tariff. The difference,  
37 plus interest at one percent (1%) per month, or the maximum allowable legal interest  
38 rate, whichever is less, from the date service was first commenced under this tariff, shall  
39 immediately become due by customer to the City of Austin.

40 The contract executed under this tariff shall address the rights of the City and the  
41 customer relating to the transfer or assignment of rights under this tariff.



**PART 4.** This ordinance takes effect October \_\_\_\_, 2010.

PASSED AND APPROVED

\_\_\_\_\_, 2010

§  
§  
§

\_\_\_\_\_  
Lee Leffingwell  
Mayor

APPROVED: \_\_\_\_\_  
Karen Kennard  
Acting City Attorney

ATTEST: \_\_\_\_\_  
Shirley A. Gentry  
City Clerk

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



Unaudited Results

\$ in Thousands

	July 2010 Year to Date Actual	July 2010 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 472,427	\$ 471,002	\$ 1,425	0.3%
Bilateral & Ancillary Service Sales	12,930	26,417	(13,487)	-51.1%
Transmission Service Revenue	48,514	48,010	504	1.0%
Miscellaneous Revenue	28,204	31,258	(3,054)	-9.8%
Interest Income	6,463	9,166	(2,703)	-29.5%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>568,538</b>	<b>585,853</b>	<b>(17,315)</b>	<b>-3.0%</b>
Fuel & Green Choice Revenue	336,728	399,744	(63,016)	-15.8%
<b>Total Operating Revenue</b>	<b>905,266</b>	<b>985,597</b>	<b>(80,331)</b>	<b>-8.2%</b>
<b>TRANSFERS IN</b>				
Repair & Replacement Fund	2,000	2,000	-	0.0%
<b>Total Transfers</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>907,266</b>	<b>987,597</b>	<b>(80,331)</b>	<b>-8.1%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	342,260	398,844	56,584	14.2%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	163,560	172,569	9,009	5.2%
Transmission Service Expense	51,272	53,040	1,768	3.3%
South Texas Project O&M	59,123	50,854	(8,269)	-16.3%
Fayette Power Project O&M	20,131	20,604	473	2.3%
Call Center	19,820	25,124	5,304	21.1%
Energy Conservation Rebates	14,206	11,058	(3,148)	-28.5%
Bad Debt Expense	3,037	2,755	(282)	-10.2%
Administrative Support Transfer	12,103	12,103	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>343,252</b>	<b>348,107</b>	<b>4,855</b>	<b>1.4%</b>
<b>Total Operating Requirements</b>	<b>685,512</b>	<b>746,951</b>	<b>61,439</b>	<b>8.2%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	127,875	131,840	3,965	3.0%
Other Obligations	708	2,078	1,370	65.9%
<b>Total Debt Service Requirements</b>	<b>128,583</b>	<b>133,918</b>	<b>5,335</b>	<b>4.0%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	101,000	101,000	0	0.0%
Electric CIP Transfer	49,928	49,758	(170)	-0.3%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>194,928</b>	<b>194,758</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>1,009,023</b>	<b>1,075,627</b>	<b>66,604</b>	<b>6.2%</b>
<b>Total Encumbrances</b>	<b>14,518</b>	<b>14,518</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>1,023,541</b>	<b>1,090,145</b>	<b>66,604</b>	<b>6.1%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (116,275)</b>	<b>\$ (102,548)</b>	<b>\$ (13,727)</b>	<b>-13.4%</b>

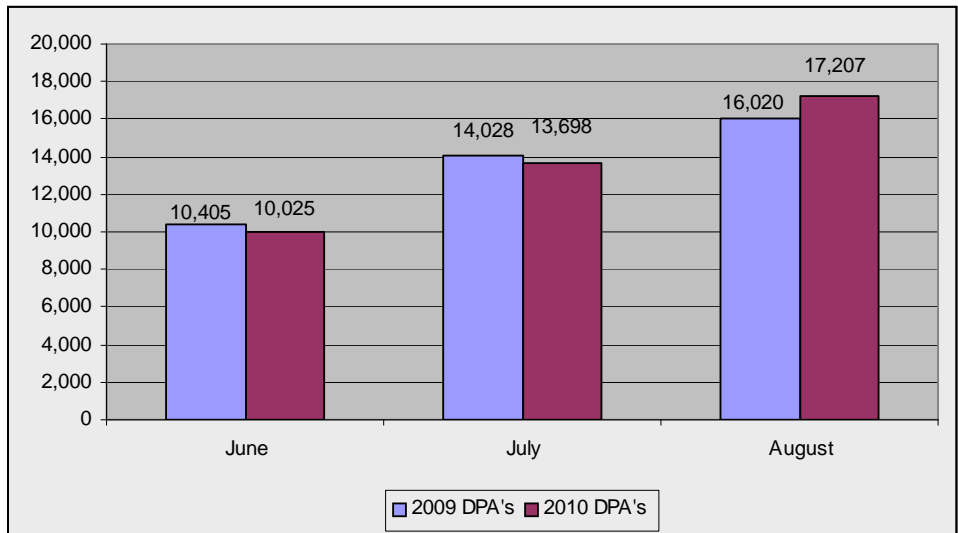


**Monthly DPA and Disconnect Report**  
***Including Summer Moratorium information***  
**September 2010**

**Deferred Payment Agreements**

Month	2009 DPAs	2010 DPAs
June	10,405	10,025
July	14,028	13,698
August	16,020	17,207
Monthly Total	40,453	40,930

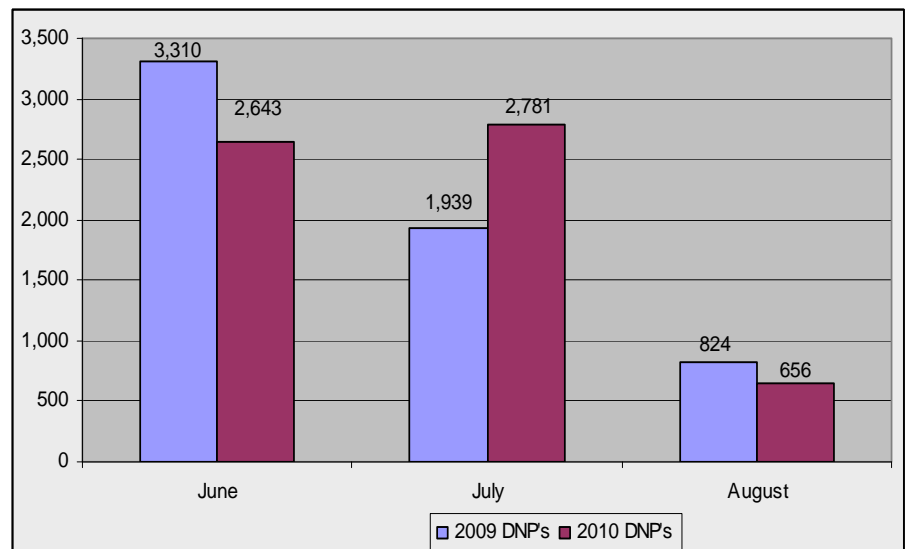
**Note:** In August 2010 there was a 7% increase in the number of DPAs written compared to the number written in August 2009.



**Residential Disconnections**

Month	2009 Disconnects	2010 Disconnects
June	3,310	2,643
July	1,939	2,781
August	824	656
Monthly Total	6,073	6,080

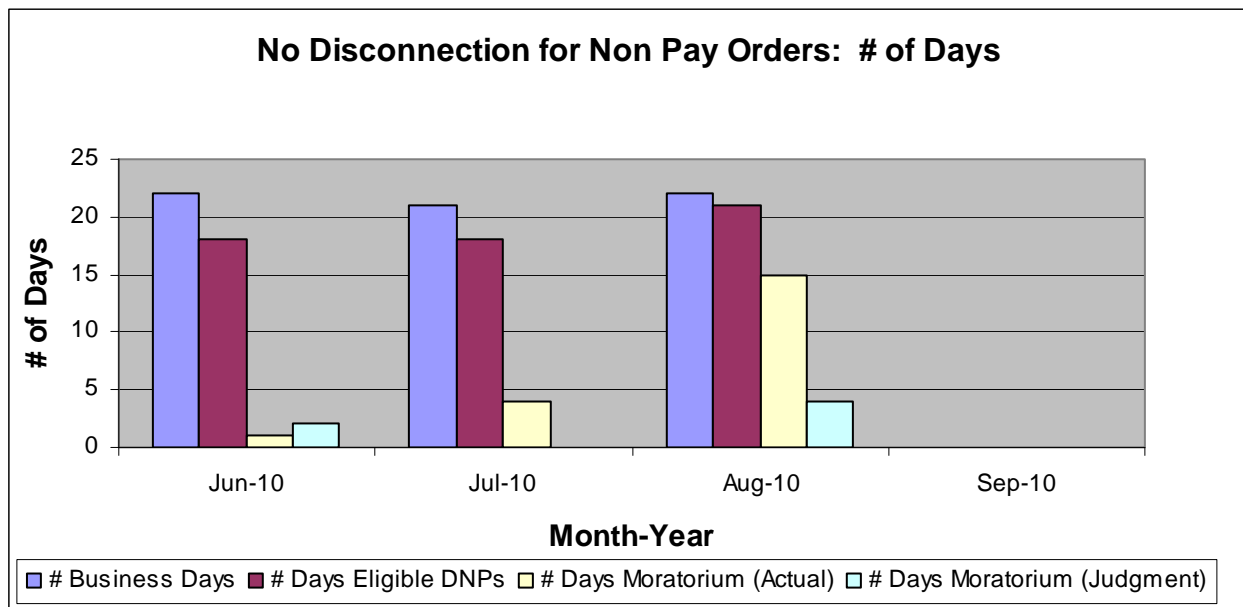
**Life Support Information:** For the month of August 2010, 109 customers were identified as Life Support Certified. Sixty-one accounts not active on a payment arrangement became delinquent. Ten accounts received 24-hour notices and none were disconnected (due to payment being received or payment arrangement being activated).



### Summer Moratorium Information

For the month of August 2010, Austin Energy has recorded a total of 21 business days eligible to create disconnect for non-payment (DNP) service orders. Austin Energy implemented the summer weather moratorium on 19 days due to a combination of actual plus forecasted heat indexes. DNPs were issued on August 26 and August 27.

	<b># Business Days</b>	<b># Days Eligible for DNPs</b>	<b># Days Moratorium (Actual)</b>	<b># Days Moratorium (Judgment)</b>
Jun-10	22	18	1	2
Jul-10	21	18	4	0
Aug-10	22	21	15	4
Sep-10				



**UPCOMING PROCUREMENTS BY AUSTIN ENERGY****Purchasing Department Report • Electric Utility Commission • September 20, 2010**

	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION
1	Uniformed security guard services	\$1,600,000/yr	Facilities	October	Unarmed security guard services for various AE facilities.
2	Fire Protection System Inspection, Testing and Maintenance	\$300,000/yr	Power Production	October	Annual fire protection system inspection, testing and maintenance for systems at Decker and Sand Hill power plants.
3	EPA Required Oil Removal Services	\$125,000/yr	Environmental Care & Protection	October	EPA requires that AE contract with a Coast Guard-certified Oil Spill Response Organization (OSRO) for oil storage at Decker.
4	Response and Remediation Services	\$275,000/yr	Environmental Care & Protection	October	Law requires quick response to spills of oil or other hazardous substances by OSHA-trained emergency responders on call 24/7.
5	Underground Utility Locating	\$500,000/yr	ESD	October	Annual agreement for locating and marking underground electrical facilities; replaces expiring contract.
6	Plants and Trees for Mitigation	\$60,000/yr	ESD	October	Requirements contract for the purchase of trees and plants to be used for mitigation.
7	Meters, Meter Sockets, Current Transformers	\$6,000,000/yr	ESD	October	Annual agreement for the purchase of meters, meter sockets and current transformers.
8	Transmission and Distribution Electrical Services	\$7,400,000/yr	ESD	November	Five-year contract for providing routine and emergency electric distribution powerline above-ground installations and maintenance services.
9	Stormwater Pond Maintenance	\$90,000/yr	Environmental Care & Protection	November	Annual agreement for maintenance and repair to stormwater ponds owned, operated by or affecting AE, in compliance with environmental criteria and regulations.
10	Upgrade to Demineralizer at Decker	\$2,000,000	Power Production	November	Upgrade to the current demineralizer system at the Decker Creek Power Station.
11	Filter Element for Gas Turbine Compressor	\$53,000	Power Production	November	Filter elements required for gas turbine compressor at Sand Hill Energy Center.
12	Biomonitoring and Toxicity Testing	\$53,000/yr	Environmental Care & Protection	November	Annual agreement for biomonitoring and toxicity testing services.
13	Decorative Street Lights	\$800,000/yr	ESD	November	Annual agreement for decorative street lights used at commercial sites and in residential subdivisions for aesthetic improvements.
14	Auxiliary parts for Switchgear and Relay Panels	\$250,000/yr	ESD	November	Annual agreement for auxiliary parts for switchgear and relay panels.
15	Network Protectors	\$750,000/yr	ESD	November	Annual agreement for three phase network protectors.
16	Network Protector Rebuild Agreement	\$1,000,000/yr	ESD	November	Annual service agreement for rebuilding network protectors.
17	Specialty Chemical Water Treatment	\$1,500,000/yr	Power Production	November	Annual agreement for specialty chemical water treatment service, supply, and equipment for multiple AE facilities.
18	Rental of Backup Equipment, as needed	\$182,000/yr	On Site Energy Resources	November	Annual agreement for the rental of backup equipment, as needed, including chillers, boilers, and generators for both downtown cooling plants, Mueller and Domain.

## **ELECTRIC UTILITY COMMISSION**

### **Schedule of Upcoming Briefings**

**In addition to monthly Budget, Procurements and DPA/Disconnection reports**

#### **SEPTEMBER 20, 2010**

- Update on Competitive Matters Resolution (Mele, Perny)
- Update on the Development of Affordability Metrics
- Monthly Update on Rate Review Process (Dreyfus)
- Plug-In Hybrid Program (Librach)
- Status of the Webberville Solar Project (Mele)

#### **OCTOBER 18, 2010** *Set meeting schedule for 2011*

- Update and possible action on Competitive Matters Resolution (Mele, Perny)
- Monthly Update on Rate Review Process (Dreyfus)
- Presentation of Affordability Metrics (Dreyfus)
- Quarterly Report on M/WBE Goals
- Austin Climate Protection Program Quarterly Report (Matthews)

#### **NOVEMBER 15, 2010**

- Fuel Hedging Program (Sweeney)
- Update and possible action on Affordability Metrics (Dreyfus)
- Monthly Update on Rate Review Process (Dreyfus)
- Meter Implementation Project (Wood)
- Imagine Austin Comprehensive Plan (Planning & Development Review Dept.)

#### **DECEMBER 13, 2010**

- Monthly Update on Rate Review Process (Dreyfus)

#### **JANUARY 2011**

- Quarterly Report on M/WBE Goals
- 2011 Texas Legislative Session (Alofsin, Mitchell)
- Austin Climate Protection Program Quarterly Report (Rabago)
- Monthly Update on Rate Review Process (Dreyfus)
- End of FY Financial Report (Hart)

#### **FEBRUARY 2011**

- Monthly Update on Rate Review Process (Dreyfus)
- Legislative Update (Alofsin, Mitchell)

#### **MARCH 2011**

- Monthly Update on Rate Review Process (Dreyfus)
- Legislative Update (Alofsin, Mitchell)