



Electric Utility Commission
August 15, 2011 – 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
(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 4-22 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commissioner.

1. **CALL TO ORDER**
2. **APPROVAL OF MINUTES** - Approve minutes of the July 18, 2011 regular meeting.
3. **CITIZEN COMMUNICATIONS: General**

NEW BUSINESS – CONSENT ITEMS

For 8/18/11 Council:

4. Authorize negotiation of a power purchase agreement with MAP Royalty Inc., Palo Alto, CA, for a term of up to twenty-five years for up to 91 megawatts of wind-generated electricity in an estimated amount of \$13,000,000 per year, for an estimated total contract amount of \$325,000,000.
5. Authorize negotiation of a power purchase agreement with Duke Energy Generation Services, Houston, TX, for a term of up to twenty-five years for up to 200 megawatts of wind-generated electricity in an estimated amount of \$32,800,000 per year, for an estimated total contract amount of \$820,000,000.
6. Authorize a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD, Nederland, TX, for 32 light-duty pickup trucks (\$728,745). AE will purchase 17 Ford trucks under this contract: 6 new, 11 replacements, for \$398K.
7. Authorize a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD., Nederland, TX, for 38 medium-duty service vehicles (\$1,594,730). AE will purchase 9 Ford trucks: 3 new, 6 replacements, for \$483K.

For 8/25/11 Council:

8. Issue energy efficiency rebate to Round Rock ISD – Westwood High School (\$73,452).
9. Issue energy efficiency rebate to Data Foundry (Texas 1) (\$61,181).
10. Authorize execution of a power purchase agreement with MAP Royalty Inc., Palo Alto, CA, for a term of up to twenty-five years for up to 91 megawatts of wind-generated electricity in an estimated amount of \$13,000,000 per year, for an estimated total contract amount of \$325,000,000.
11. Authorize execution of a power purchase agreement with Duke Energy Generation Services, Houston, TX, for a term of up to twenty-five years for up to 200 megawatts of wind-generated electricity in an estimated amount of \$32,800,000 per year, for an estimated total contract amount of \$820,000,000.
12. Execute a 24-month requirements service contract with FERCAM GROUP (MBE), Humble, TX, and TERRACON CONSULTANTS, INC., Austin, TX, or one of the other qualified responders to RFP DKC0025 for inspection, monitoring abatement planning and remediation of asbestos and lead-based paint at Austin Energy facilities (\$500,000 each and combined, with two 24-month extension options at \$500,000 each and combined, for total of \$1,500,000 each and combined).
13. Execute Amendment No. 2 to a contract with DIGITAL INSPECTIONS, Corvallis, OR, for the maintenance and support of CASCADE database software to exercise the second 12-month extension option (\$20,277), authorize award of the two remaining 12-month extension (\$20,277 per) and to add five additional 12-month extension options (\$20,277 per), for revised total of \$202,767.
14. Execute a 36-month requirements supply contract with BRUGG CABLES, LLC, Rome, GA, for the purchase of optical power ground wire cable (\$753,450, with three 12-month extension options at \$251,150 per, for total of \$1,506,900).
15. Execute a 12-month requirements service contract with KORTERRA INCORPORATED, Chanhassen, MN, for the purchase of Application Service Provider (ASP) hosting services for damage prevention services (\$50,000, with four 12-month extension options at \$50,000 per, for total of \$250,000).
16. Execute a 36-month requirements service and supply contract with EATON CORPORATION, Raleigh, NC, for the purchase of UPS batteries including an extended warranty and service agreement (\$135,890).
17. Execute Amendment No. 3 to a contract with T-C Barton Springs LLC, Austin, TX to increase the contract for the lease of office space located at 811 Barton Springs Road (\$390,000, for revised total of \$7,312,764).

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 Toyce Goodson Collins at Austin Energy at (512) 322-6450 for additional information. TTY users route through Relay Texas at 711.

18. Execute Amendment No. 6 to a requirements service contract with DOBLE ENGINEERING COMPANY, Watertown, MA for the lease of oil analysis equipment, software and consulting services to add an additional five 12-month extension options (\$59,238 per option, for revised total of \$568,782).
19. Execute Amendment No. 2 to a contract with CLARITAS INC., San Diego, CA for Customer Segmentation Data services to exercise the second 12-month extension option (\$18,995), with two additional 12-month extension options (\$18,995 per) and to add three additional 12-month extension options (\$18,995 per), for a revised total of \$170,955.
20. Execute a contract through the TEXAS MULTIPLE AWARD SCHEDULE (TXMAS) cooperative purchasing program with JOHNSON CONTROLS., INC., Austin, TX, for the purchase and installation of two new high efficiency chillers, one at the Givens Recreation Center and the other at the Conley-Guerrero Recreation Center (\$141,135)
21. Execute Amendment No. 3 to a contract with the STATE of TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR), with Adjacent Technologies, Austin, TX, to increase the contract for software upgrade, implementation and to extend support services for the existing IBM FileNet software, including technical, training, and annual support and maintenance services for applications and software (\$920,000; and to add four 12-month extension options in an amount not to exceed \$962,000 for the third extension option, \$912,000 for the fourth extension option, \$908,200 for the fifth extension option and \$808,200 for the sixth extension option, for a total revised contract amount not to exceed \$6,440,400).

For 9/22/11 Council:

22. Execute a 12-month requirements service agreement with AM CONSERVATION GROUP, INC, Charleston, SC to purchase weatherization kits (\$393,710, with four 12-month extension options (\$265,710 per), for total of \$1,456,550).

STAFF REPORTS AND BRIEFINGS

23. Deferred Payment Arrangements and Disconnections Report
24. Monthly Financial Report
25. Presentation on and Approval of Austin Energy's Budget for FY2012
26. Discussion and Approval of Austin Energy Annual Performance Report, with opportunity for citizen communications regarding form of Annual Performance Report
27. Update on Austin Energy's rate redesign, with opportunity for citizen communications regarding Recommended Policy Guidelines
28. Briefing on plans to execute additional long-term wind power purchase agreement

FUTURE AGENDA ITEMS

29. Request agenda items including information related to the Upcoming Procurements Report
30. Announce special-called EUC meeting to be held September 1, 2011, 6:00p, at Town Lake Center, 721 Barton Springs Rd, to receive Rate Analysis and Recommendations Report

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31. ADJOURN

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.



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES
JULY 18, 2011

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

1. **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 Steve Taylor. Dr. Michael E. Webber was absent.

Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, J.J. Gutierrez, Ann Little, Andy Perny, Jackie Sargent, Alan Claypool, Karl Rabago, Pat Sweeney, Ed Clark, David Kutach, Kathleen Garrett, Fred Yebra, Scott Jarman, Jim Collins, Adrienne Brandt, Matt Russell, Marnie Cervenka, Cindi Perez, Carlos Cordova, Drusilla Saenz, and Toye Goodson Collins of Austin Energy; Rosemary Ledesma and Shawn Harris of the Purchasing Department.

2. **APPROVAL OF MINUTES** - Approve minutes of the June 20, 2011 regular meeting. **Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Fath, passed on a vote of 6-0.**
3. **CITIZEN COMMUNICATIONS** – Lanetta Cooper of the Texas Legal Services Center provided comments and a handout on electric rate design. Scott Johnson spoke regarding proposed Fleet purchases and, specifically, on Item 22.

NEW BUSINESS – CONSENT ITEMS

4. Recommend authorization to execute a construction contract with PIATRA INC. (FW/WBE - 81.66%), Austin, TX, for Austin Energy’s Mueller Substation Security Enclosure in an amount not to exceed \$199,897.50. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
5. Recommend authorization to negotiate and execute an amendment to the professional services agreement with ELLERBE BECKET INC., Minneapolis, MN, for architectural consulting services for Austin Energy’s new System Control Center in the amount of \$230,240.34, including an increase of authorization in the amount of \$165,154.34, plus a contingency in the amount of \$50,000, for a total not-to-exceed authorization increase of \$215,154.34, and total not-to-exceed contract amount of \$5,167,837.11. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
6. Recommend authorization to award and execute a 12-month requirements supply contract with S&C ELECTRIC COMPANY, Chicago, IL, for the purchase of circuit switchers for Austin Energy in an estimated amount not to exceed \$798,085, with four 12-month extension options in an estimated amount not to exceed \$798,085 per extension option, for a total estimated contract amount not to exceed \$3,990,425. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
7. Recommend authorization to award and execute a 12-month requirements service contract with ABB, INC., Raleigh, NC, for support and maintenance of Austin Energy’s STATCOM System in an estimated amount not to exceed \$100,000, with four 12-month extension options in an estimated amount not to exceed \$100,000 per extension option, for a total estimated contract amount not to exceed \$500,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

8. Recommend authorization to award and execute a 12-month requirements supply contract with WAUKESHA ELECTRIC SYSTEMS, INC., Dallas, TX, for the purchase of load tap changer kits for use at Austin Energy substations in an estimated amount not to exceed \$200,000, with four 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$1,000,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
9. Recommend authorization to award and execute a 12-month requirements supply contract with TEXAS ELECTRIC COOPERATIVES, Georgetown, TX, for the purchase of relays for switchgear and control panels for Austin Energy in an estimated amount not to exceed \$200,000, with four 12-month extension options in an estimated amount not to exceed \$200,000 per extension option, for a total estimated contract amount not to exceed \$1,000,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
10. Recommend authorization to award and execute a 12-month requirements supply contract with ACE 1 POWER EQUIPMENT, Austin, TX, for the purchase of meter sockets with prewired voltage transformer packs for Austin Energy in an estimated amount not to exceed \$150,000, with four 12-month extension options in an estimated amount not to exceed \$150,000 per extension option, for a total estimated contract amount not to exceed \$750,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
11. Recommend authorization to negotiate and execute all documents and instruments necessary or desirable for the fee simple acquisition of a 12.62-acre tract of land out of Lot 4, Block H, Interport Planned Development, Travis County, Texas, located on Fallwell Lane, Austin, Texas, from New Interport, Ltd., a Texas Limited Partnership, to increase the land buffer and to support the planned expansion of Austin Energy's Sand Hill Energy Center in an amount not to exceed \$998,000. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
12. Recommend authorization to award, negotiate and execute an 84-month contract with POWER SYSTEMS MFG, LLC, Jupiter, FL, or one of the other qualified offerors to RFP No. SMH0118, for a long term maintenance agreement for Sand Hill Energy Center's gas turbine and generator unit #5 in an estimated amount not to exceed \$22,937,248. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
13. Recommend approval of an ordinance authorizing acceptance of \$363,250 in American Recovery and Reinvestment Act (ARRA) grant funds administered through the State Energy Conservation Office (SECO) and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund (Ordinance No. 20100913-002) to appropriate such grant funds, and recommend authorization to negotiate and execute a grant agreement between SECO and Austin Energy for the installation of a solar photovoltaic system at the City of Austin's George Washington Carver Museum and Library. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
14. Recommend issuance of a rebate to CJUF II STRATUS BLOCK 21 LLC for the installation of energy efficient equipment in an amount not to exceed \$63,475. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

15. Recommend issuance of a Letter of Intent for a rebate to LENNAR HOMES, Austin, TX, for the installation of solar energy systems designed to serve 12 new construction residential homes in the BRADSHAW CROSSING, COLARADO CROSSING, and STONEY RIDGE CROSSING SUBDIVISIONS, for a total amount not to exceed \$120,000. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
16. Recommend authorization to award and execute a 12-month requirement service agreement with YOUR FLYERS DELIVERED, Austin, TX, for the distribution of door hanging advertisements for Austin Energy's Power Saver™ Programs in an estimated amount not to exceed \$29,850, with three 12-month extension options in an estimated amount not to exceed \$29,980, for a total estimated contract amount not to exceed \$119,400. **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
17. Recommend authorization to award, negotiate and execute a 22-month contract with TUERFF-DAVIS ENVIROMEDIA, INC., Austin, TX, or the other qualified offeror to RFP No. SMH0120, for marketing services in an estimated amount not to exceed \$1,000,000, with one 24-month extension option in an estimated amount not to exceed \$800,000, for a total estimated contract amount not to exceed \$1,800,000. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
18. Recommend authorization to award, negotiate and execute a contract with JOHNSON CONTROLS, INC., Austin, TX, for a motor upgrade on a YORK chiller for the Domain District Energy Cooling System for a total estimated contract amount not to exceed \$156,690. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
19. Authorize award and execution of Amendment No. 2 to a contract with COMP-UTILITY CORPORATION, Austin, TX, for the purchase of Uninterruptible Power Supply (UPS) power modules and external battery system maintenance for the 911 back-up center at the Combined Transportation, Emergency & Communications Center (CTECC) to extend the contract for one 12-month extension option in an estimated amount not to exceed \$14,919 with two additional 12-month extension options in an estimated amount not to exceed \$14,919 each, for a revised total estimated contract amount not to exceed \$106,383. **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**
20. Recommend authorization to award and execute a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD, Nederland, TX, for the purchase of 35 light-duty hybrid vehicles in an amount not to exceed \$958,944.50. (Austin Energy's share is \$111,247.25.) **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
21. Recommend authorization to award and execute 11 contracts through the Texas Local Government Purchasing Cooperative (BuyBoard) with: EQUIPMENT SOUTHWEST, INC., Irving, TX for the purchase of one dump body and three loader attachments in an amount not to exceed \$262,992.40; JOHN DEERE SHARED SERVICES, INC., Moline, IL for the purchase of six tractor/loader/backhoes, two wheel loaders, and one rubber track loader in an amount not to exceed \$960,891.15; WAUKESHA-PEARCE INDUSTRIES, INC., Houston, TX for the purchase of two wheeled excavators in an amount not to exceed \$607,520.80; KINLOCH EQUIPMENT & SUPPLY, INC., Arlington, TX for the purchase of one Vactor sewer body in an amount not to exceed \$207,323.51; COOPER EQUIPMENT CO., INC., San Antonio, TX for the purchase of two gooseneck trailers and one 7,500 gallon water tank in an amount not to

exceed \$236,446.10; RUSH TRUCK CENTERS OF TEXAS LP, Buda, TX for the purchase of five cab and chassis and one street-flusher truck in an amount not to exceed \$573,150.00; TEXAN WASTE EQUIPMENT INC. dba HEIL OF TEXAS, Houston, TX for the purchase of seven refuse collection bodies in an amount not to exceed \$638,460.00; CHASTANG ENTERPRISES, INC., Houston, TX for the purchase of two cab and chassis in an amount not to exceed \$279,378.00; TIGER CORPORATION, Sioux Falls, SD for the purchase of one slope mower in an amount not to exceed \$99,225.52; TEREX UTILITIES, INC., San Antonio, TX for the purchase of one aerial device in an amount not to exceed \$118,182.00; WIRTGEN AMERICA, INC., Antioch, TN for the purchase of one milling machine and one drum roller in an amount not to exceed \$282,229.70. (Austin Energy's share is \$118,182.) **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

22. Recommend authorization to award and execute a contract with CALDWELL COUNTRY CHEVROLET, Caldwell, TX, for the purchase of 12 Chevrolet Tahoes in an amount not to exceed \$331,619.45. (Austin Energy's share is \$91,599.15.) **Motion to approve by Commissioner Bernfeld, seconded by Commissioner Taylor, passed on a vote of 6-0.**
23. Authorize award and execution of a contract with CALDWELL COUNTRY CHEVROLET, Caldwell, TX, or one of the other qualified bidders for IFB-BV SAP0123, for the purchase of five 15-passenger vans in an amount not to exceed \$114,880. (Austin Energy's share is \$22,976.) **Motion to approve on consent by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 6-0.**

STAFF REPORTS AND BRIEFINGS

24. Monthly Financial Report by Steve Machicek, Corporate Accounting and Rates.
25. Deferred Payment Arrangements and Disconnections Report by J.J. Gutierrez, Vice President, Customer Care.
26. Presentation of Austin Energy's Annual Performance Report FY 2010 by Cheryl Mele, Chief Operating Officer. Commissioners suggested a few revisions and commended staff for providing comprehensive data. Chair Schmandt requested that staff solicit input from stakeholders prior to their final consideration of the report at next month's meeting.
27. Briefing on plans to execute additional long-term wind power purchase agreements by Michael Osborne, Assistant to the General Manager. The Commission is scheduled to make a recommendation on the proposed contracts at next month's meeting.
28. Update on Austin Energy's rate redesign including preliminary commercial and industrial rates by Larry Weis, General Manager, and Ann Little, Vice President, Finance and Corporate Services. Following a discussion regarding rate restructuring, Commissioners requested that their September 1 meeting be held at City Hall to allow for a live televised broadcast and, if possible, that staff arrange for additional public input via email during the meeting. They also requested that staff advertise the meeting to increase public participation.

FUTURE AGENDA ITEMS

29. Request agenda items including information related to the Upcoming Procurements Report. Commissioner Bernfeld requested a list of software purchases including costs.
30. **ADJOURN** – Chair Schmandt adjourned the meeting at 8:13 p.m. without objection.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action**

Austin City Council	Item ID	9006	Agenda Number	<ITEM_OUTLINE>
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Meeting Date:	8/18/2011	Department:	Austin Energy
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Subject

Authorize negotiation of a power purchase agreement with MAP Royalty Inc., Palo Alto, CA, for a term of up to twenty-five years for up to 91 megawatts of wind-generated electricity in an estimated amount of \$13,000,000 per year, for an estimated total contract amount of \$325,000,000.

Amount and Source of Funding

Funding will be provided through the electric fuel charge revenue or future Green Choice revenue.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Michael Osborne, Special Assistant, 322-6561; Jackie Sargent, Sr. VP, Power Supply and Market Operations, 322-6491.
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011 and the Resource Management Commission on August 16, 2011.
MBE / WBE:	
Related Items:	

Additional Backup Information

The Austin City Council established a strategic energy policy for Austin Energy through the adoption of Resolutions 030828-38 and 030925-02. These resolutions and Austin Energy's Generation Plan calls for the development and use of clean energy by Austin Energy and sets a goal of 35% of its energy from renewable energy sources by December 31, 2020. The recommended project offers Austin Energy competitively priced renewable energy, environmental attributes, and the opportunity to continue progress towards its renewable goal.

This contract will provide for the purchase of the full output of an approximately 91-megawatt wind power project to be constructed by MAP Royalty, Inc., in Webb County, Texas. The new wind project is expected to come online by the end of 2012 and will comprise approximately 57 wind turbines.

This agreement will run for a term of up to 25 years and will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the project during that period. The agreement will provide for a non-escalating fixed price of between \$35 and \$45 per megawatt-hour of energy produced, the quantity of which will vary

in accordance with the actual availability of wind resources. It may also provide for an option for Austin Energy to purchase the project at a future date. Authorization and funding to complete such a purchase will be subject to further Council approval.

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred eighty-two requests for pricing were issued. One hundred twenty-seven proposals were returned.
- c. Proposal provides for a utility scale wind power plant.

APPROVAL JUSTIFICATION

- a. Top two evaluated proposals.
- b. The recommended awardee meets the requirements of the Request for Proposal.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action**

Austin City Council	Item ID	9007	Agenda Number	<ITEM_OUTLINE>
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Meeting Date:	8/18/2011	Department:	Austin Energy
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Subject

Authorize negotiation of a power purchase agreement with Duke Energy Generation Services, Houston, TX, for a term of up to twenty-five years for up to 200 megawatts of wind-generated electricity in an estimated amount of \$32,800,000 per year, for an estimated total contract amount of \$820,000,000.

Amount and Source of Funding

Funding will be provided through the electric fuel charge revenue or future Green Choice revenue.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Michael Osborne, Special Assistant, 322-6561; Jackie Sargent, Sr. VP, Power Supply and Market Operations, 322-6491.
Boards and Commission Action:	To be reviewed by Electric Utility Commission on August 15, 2011 and Resource Management Commission on August 16, 2011.
MBE / WBE:	
Related Items:	

Additional Backup Information

The Austin City Council established a strategic energy policy for Austin Energy through the adoption of Resolutions 030828-38 and 030925-02. These resolutions and Austin Energy's Generation Plan calls for the development and use of clean energy by Austin Energy and sets a goal of 35% of its energy from renewable energy sources by December 31, 2020. The recommended project offers Austin Energy competitively priced renewable energy and environmental attributes and the opportunity to continue progress towards its renewable goal.

This contract will provide for the purchase of the full output of an approximately 200-megawatt wind power project to be constructed by Duke Energy Generation Services in Cameron and Willacy Counties near the town of Harlingen, Texas. The new wind project is expected to come online by the end of 2012 and will comprise approximately 87 wind turbines.

This agreement will run for a term of up to 25 years and will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the project during that period. The agreement will provide for a non-

escalating fixed price of between \$35 and \$45 per megawatt-hour of energy produced, the quantity of which will vary in accordance with the actual availability of wind resources. It may also provide for an option for Austin Energy to purchase the project at a future date. Authorization and funding to complete such a purchase will be subject to further Council approval.

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred eighty-two requests for pricing were issued. One hundred twenty-seven proposals were returned.
- c. Proposal provides for a utility scale wind power plant.

APPROVAL JUSTIFICATION

- a. Top two evaluated proposals.
- b. The recommended awardee meets the requirements of the Request for Proposal.

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	7813	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 18, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD, Nederland, TX, for the purchase of thirty-two light-duty pick up trucks in an amount not to exceed \$728,744.60.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$105,334.75 is available in the Fiscal Year 2010-2011 Vehicle Acquisition Fund. Funding in the amount of \$398,063.95 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding in the amount of \$162,175.05 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Water Utility. Funding in the amount of \$63,200.85 is available in the Fiscal Year 2010-2011 Operating Budget of the Parks and Recreation Department.</p>				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:	Cooperative Purchase.			
Prior Council Action:				
For More Information:	Sharon Patterson, Senior Buyer, 972-4014			
Boards and Commission Action:	To be reviewed by the Water and Wastewater Commission on 07/13/11. Recommended by the Electric Utility Commission.			
MBE / WBE:	This Cooperative Contract is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.			
Related Items:				

Additional Backup Information

This contract is for the purchase of twenty-three replacement and nine new light-duty trucks. These trucks will be used by various City Departments in the day-to-day operations of City business and will be equipped with various types of equipment. The type of equipment to be installed on the trucks include spotlights, heavy-duty steel toolboxes with locking lids, light bars, backup alarm, and a trailer hitch.

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

All of these trucks are powered by E85 flex fuel, meaning they can operate on a blend of 85% ethanol with 15% gasoline. E85 provides roughly a 15% reduction in greenhouse gas emissions relative to gasoline.

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

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

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

The vehicles in this purchase will be assigned to the following City Departments:

Austin Energy

10 Ford F-150 4x2 with extended cab and long bed – 6 New, 4 Replacements

7 Ford F-150 4x4 with extended cab and long bed – Replacements

Austin Water Utility

6 Ford F-150 4x2 with extended cab – Replacements

1 Ford F-150 4x4 with extended cab and long bed – Replacement

Parks and Recreation Department

8 Ford F-150 4x2 with extended cab – 3 New, 5 Replacements

In the interest of validating the best use of the City's acquisition funds, as well as the impact of local purchase versus using a cooperative procurement, the City conducted a "Best Value" bid solicitation for light-duty trucks.

The best-value criteria included the cost of the trucks (70 of 100 points), local economic impact (15 of 100 points), dealer's markup on optional equipment (10 of 100 points), and hourly labor rate to install optional equipment (5 of 100 points). Points for local economic impact were assigned based on the bidder's answer to two (2) questions: a) Is your business located in the Greater Austin Metropolitan Area and b) State the number of people you employ in the Greater Austin Metropolitan area.

The results of this solicitation were compared with price quotes from the available cooperatives.

The price offered by Philpott Motors, through the BuyBoard Cooperative, is \$71,517.40 less than the best-value bid received from a local vendor that responded to our best-value solicitation.

Philpott Motors is contracted through BuyBoard to supply these types of trucks to other public entities statewide as a result of a competitive bidding process. Utilizing BuyBoard contracts provides for volume discount pricing as well as the earliest opportunity to place the City's trucks on order.

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	8131	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 18, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a contract through the Texas Local Government Purchasing Cooperative (BuyBoard) with PHILPOTT MOTORS, LTD., Nederland, TX, for the purchase of 38 medium-duty service vehicles in an amount not to exceed \$1,594,729.60.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$183,004.66 is available in the Fiscal Year 2010-2011 Vehicle Acquisition Fund. Funding in the amount of \$483,201.86 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding in the amount of \$336,658.84 is available in the Fiscal Year 2010-2011 Capital Budget of the Austin Water Utility. Funding in the amount of \$29,883.87 is available in the Fiscal Year 2010-2011 Capital Budget of the Municipal Court. Funding in the amount of \$93,668.26 is available in the Capital Budget of the Public Works Department. Funding in the amount of \$110,014.95 is available in the Capital Budget of the Solid Waste Services Department. Funding in the amount of \$143,829.90 is available in the Fiscal Year 2010-2011 Operating Budget of the Code Compliance Department. Funding in the amount of \$92,738.86 is available in the Operating Budget of the Public Works Department. Funding in the amount of \$21,728.40 is available in the Fiscal Year 2010-2011 Operating Budget of the Watershed Protection Department. Funding in the amount of \$100,000 is available in the Fiscal Year 2010-2011 Capital Budget of the Watershed Protection Department.</p>				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:	Cooperative Purchase.			
Prior Council Action:				
For More Information:	Sharon Patterson, Senior Buyer/972-4014			
Boards and Commission Action:	To be reviewed by the Water and Wastewater Commission on August 10, 2011 and Electric Utility Commission on August 15, 2011.			
MBE / WBE:	This Cooperative Contract is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.			
Related Items:				

Additional Backup Information

This contract is for the purchase of fourteen new and twenty-one replacement pickup service-trucks, and three replacement truck cab and chassis with re-mounted bodies to be distributed amongst the following departments: Austin Energy, Austin Water, Fire, Code Compliance, Health and Human Services, Municipal Court, Parks and Recreation, Public Works, Solid Waste Services, and Watershed Protection.

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

Ten of these vehicles are powered by E85 flex fuel, meaning they can operate on a blend of 85% ethanol with 15% gasoline. E85 provides roughly a 15% reduction in greenhouse gas emissions relative to gasoline.

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

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

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

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

Included in this purchase are the following vehicles:

Austin Energy

- 1 Ford F350 4x2 pickup truck with crew cab – New
- 1 Ford F350 4x4 pickup truck with crew cab - New
- 4 Ford F450 4x4 pickup truck with regular cab – Replacements
- 1 Ford F450 4x4 truck with crew cab and remounted flat bed - Replacement
- 1 Ford F550 4x2 with super crew cab, stake-body, and liftgate – New
- 1 Ford F550 4x2 truck with regular cab and canopy body – Replacement

Austin Water

- 1 Ford F350 4x4 pickup truck with super cab – Replacement
- 1 Ford F350 4x2 service-body truck with super cab – Replacement
- 3 Ford F550 4x2 service-body trucks with super cab and crane – Replacements
- 1 Ford F550 4x4 truck with super cab and canopy body - Replacement

Austin Fire Department

1 Ford F350 4x4 truck with crew cab and command body -- Replacement

1 Ford F550 4x2 truck with super cab and remounted air body -- Replacement

Code Compliance Department

2 Ford F150 4x2 pickup trucks with super crew cab -- New

7 Ford F150 4x2 pickup trucks with super cab -- 5 New, 2 Replacements

Health and Human Services Department

1 Ford F350 4x2 truck with regular cab and remounted animal-control body -- Replacement

Municipal Court

1 Ford F250 4x2 pickup truck with crew cab and long bed -- New

Parks and Recreation Department

2 Ford F350 4x2 pickup trucks with crew cab -- Replacements

Public Works Department

1 Ford F350 4x2 truck with super cab and light bar -- New

1 Ford F350 4x2 truck with crew cab and light bar -- New

2 Ford F550 4x2 trucks with crew cab and nine foot platform body -- 1 New, 1 Replacement

Solid Waste Service Department

1 Ford F350 4x2 pickup truck with crew cab -- Replacement

Watershed Protection Department

1 Ford F150 4x4 pickup truck with super crew cab -- Replacement

1 Ford F350 4x4 pickup truck with super cab and light bar -- Replacement

1 Ford F450 4x2 truck with crew cab, platform body with sides, and arrow board - Replacement

The Purchasing Office conducted an analysis to determine that the BuyBoard contract was the best value to the City. The Philpott Motors contract offered the lowest prices and is able to provide vehicles and equipment that fully meet the needs of the using departments. Philpott Motors is contracted through BuyBoard to supply these types of vehicles to other public entities statewide as a result of a competitive bidding process. Utilizing BuyBoard contracts provides for volume discount pricing as well as the earliest opportunity to place the City's vehicle order.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action**

Austin City Council	Item ID	9206	Agenda Number	<ITEM_OUTLINE>
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Meeting Date:	8/25/2011	Department:	Austin Energy
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Subject

Approve issuance of a rebate to Round Rock ISD – Westwood High School for the installation of energy efficient equipment in an amount not to exceed \$73,451.40.

Amount and Source of Funding

Funding is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy, Conservation Rebates and Incentive Fund.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Fred Yebra, P.E., Director, Energy Efficiency Services, at 482-5305 or Scott Jarman, Engineering Supervisor, at 482-5307.
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011 and by the Resource Management Commission on August 16, 2011.
MBE / WBE:	
Related Items:	

Additional Backup Information

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to Round Rock ISD – Westwood High School in the amount of \$73,451.40 for the installation of High Efficiency Chillers, Variable Frequency Drives, NEMA Premium Motors, Transformers, High Efficiency Lighting, Lighting Controls, and High Efficiency Direct Expansion Air Conditioning equipment in accordance with the City of Austin's Commercial Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Energy Resource Plan, approved in December 2003 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Westwood High School is located at 12400 Mellow Meadow Drive in Austin, Texas. The demand (kW) savings associated with the high efficiency equipment installed in this project is estimated at 203.76 kW, at a program cost of \$360.49 per kilowatt saved. The avoided kWh, estimated at 545,550 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 328 metric tons of Carbon Dioxide (CO₂), 0.21 metric tons of Sulfur Dioxide (SO₂), and 0.23 metric tons of Nitrogen Oxides (NO_x).

In addition to the reduced air and toxic metals pollution, the project savings are also equivalent to an estimated 735,502 vehicle miles traveled, the removal of 63 cars from our roadways, or the planting of 8,416 trees or 421 acres of forest in Austin's parks.

AUSTIN CITY COUNCIL

AGENDA**Recommendation for Council Action**

Austin City Council	Item ID	9205	Agenda Number	<ITEM_OUTLINE>
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Meeting Date:	8/25/2011	Department:	Austin Energy
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Subject

Approve issuance of a rebate to Data Foundry (Texas 1) for the installation of energy efficient equipment in an amount not to exceed \$61,180.85.

Amount and Source of Funding

Funding is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy, Conservation Rebates and Incentive Fund.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Fred Yebra, P.E., Director, Energy Efficiency Services, at 482-5305 or Scott Jarman, Engineering Supervisor, at 482-5307.
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011 and by the Resource Management Commission on August 16, 2011.
MBE / WBE:	
Related Items:	

Additional Backup Information

Austin Energy's Energy Efficiency Services requests authorization to issue a rebate to Data Foundry (Texas 1) in the amount of \$61,180.85 on the installation of High Efficiency Lighting, Variable Frequency Drives, Computer Room Air Handlers, Cooling Towers, Custom Technology - Uninterrupted Power Supply, Chillers, NEMA Premium Motors, and Transformers in accordance with the City of Austin's Commercial Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Energy Resource Plan, approved in December 2003 by City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption.

Data Foundry (Texas 1) is located at 4100 Smith School Road in Austin, Texas. The demand (kW) savings associated with the high efficiency equipment installed in this project is estimated at 272.46 kW, at a program cost of \$224.55 per kilowatt saved. The avoided kWh, estimated at 2,170,323.80 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 1,303.2 metric tons of Carbon Dioxide (CO2), 0.822 metric tons of Sulfur Dioxide (SO2), and 0.908 metric tons of Nitrogen Oxides (NOX).

In addition to the reduced air and toxic metals pollution, the project savings are also equivalent to an estimated 2,925,993 vehicle miles traveled, the removal of 250 cars from our roadways, or the planting of 33,480 trees or 1,674 acres of forest in Austin's parks.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action**

Austin City Council	Item ID	9203	Agenda Number	<ITEM_OUTLINE>
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Meeting Date:	8/25/2011	Department:	Austin Energy
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Subject

Authorize execution of a power purchase agreement with MAP Royalty Inc., Palo Alto, CA, for a term of up to twenty-five years for up to 91 megawatts of wind-generated electricity in an estimated amount of \$13,000,000 per year, for an estimated total contract amount of \$325,000,000.

Amount and Source of Funding

Funding will be provided through the electric fuel charge revenue or future Green Choice revenue.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	081811 - Authorized negotiation of a power purchase agreement with MAP Royalty Inc.
For More Information:	Michael Osborne, Special Assistant, 322-6561; Jackie Sargent, Sr. VP, Power Supply and Market Operations, 322-6491.
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011 and the Resource Management Commission on August 16, 2011.
MBE / WBE:	
Related Items:	

Additional Backup Information

The Austin City Council established a strategic energy policy for Austin Energy through the adoption of Resolutions 030828-38 and 030925-02. These resolutions and Austin Energy's Generation Plan calls for the development and use of clean energy by Austin Energy and sets a goal of 35% of its energy from renewable energy sources by December 31, 2020. The recommended project offers Austin Energy competitively priced renewable energy, environmental attributes, and the opportunity to continue progress towards its renewable goal.

This contract will provide for the purchase of the full output of an approximately 91-megawatt wind power project to be constructed by MAP Royalty, Inc., in Webb County, Texas. The new wind project is expected to come online by the end of 2012 and will comprise approximately 57 wind turbines.

This agreement will run for a term of up to 25 years and will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the project during that period. The agreement will provide for a non-escalating fixed price of between \$35 and \$45 per megawatt-hour of energy produced, the quantity of which will vary

in accordance with the actual availability of wind resources. It may also provide for an option for Austin Energy to purchase the project at a future date. Authorization and funding to complete such a purchase will be subject to further Council approval.

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred eighty-two requests for pricing were issued. One hundred twenty-seven proposals were returned.
- c. Proposal provides for a utility scale wind power plant.

APPROVAL JUSTIFICATION

- a. Top two evaluated proposals.
- b. The recommended awardee meets the requirements of the Request for Proposal.

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	9204	Agenda Number	<ITEM_OUTLINE>
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Meeting Date:	8/25/2011	Department:	Austin Energy
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Subject

Authorize execution of a power purchase agreement with Duke Energy Generation Services, Houston, TX, for a term of up to twenty-five years for up to 200 megawatts of wind-generated electricity in an estimated amount of \$32,800,000 per year, for an estimated total contract amount of \$820,000,000.

Amount and Source of Funding

Funding will be provided through the electric fuel charge revenue or future Green Choice revenue.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	081811 - Authorize negotiation of a power purchase agreement with Duke Energy Generation Services.
For More Information:	Michael Osborne, Special Assistant, 322-6561; Jackie Sargent, Sr. VP, Power Supply and Market Operations, 322-6491.
Boards and Commission Action:	To be reviewed by Electric Utility Commission on August 15, 2011 and Resource Management Commission on August 16, 2011.
MBE / WBE:	
Related Items:	

Additional Backup Information

The Austin City Council established a strategic energy policy for Austin Energy through the adoption of Resolutions 030828-38 and 030925-02. These resolutions and Austin Energy's Generation Plan calls for the development and use of clean energy by Austin Energy and sets a goal of 35% of its energy from renewable energy sources by December 31, 2020. The recommended project offers Austin Energy competitively priced renewable energy and environmental attributes and the opportunity to continue progress towards its renewable goal.

This contract will provide for the purchase of the full output of an approximately 200-megawatt wind power project to be constructed by Duke Energy Generation Services in Cameron and Willacy Counties near the town of Harlingen, Texas. The new wind project is expected to come online by the end of 2012 and will comprise approximately 87 wind turbines.

This agreement will run for a term of up to 25 years and will not require Austin Energy to invest any funds in the construction, operation, or maintenance of the project during that period. The agreement will provide for a non-

escalating fixed price of between \$35 and \$45 per megawatt-hour of energy produced, the quantity of which will vary in accordance with the actual availability of wind resources. It may also provide for an option for Austin Energy to purchase the project at a future date. Authorization and funding to complete such a purchase will be subject to further Council approval.

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred eighty-two requests for pricing were issued. One hundred twenty-seven proposals were returned.
- c. Proposal provides for a utility scale wind power plant.

APPROVAL JUSTIFICATION

- a. Top two evaluated proposals.
- b. The recommended awardee meets the requirements of the Request for Proposal.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	9149	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 25, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award, negotiation and execution of a 24-month requirements service contract with FERCAM GROUP (MBE), Humble, TX, and TERRACON CONSULTANTS, INC., Austin, TX, or one of the other qualified responders to RFP DKC0025 for inspection, monitoring abatement planning and remediation of asbestos and lead-based paint at Austin Energy facilities in an estimated amount not to exceed \$500,000 each and combined, with two 24-month extension options in an estimated contract amount not to exceed \$500,000 each and combined per extension option, for a total estimated contract amount not to exceed \$1,500,000 each and combined.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$20,833 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 23 months of this contract period and extension options is contingent upon available funding in future budgets.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:	Best two evaluated proposals of four proposals received.			
Prior Council Action:				
For More Information:	Dolores Castillo, Sr. Buyer/322-6466			
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011.			
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.			
Related Items:				
Additional Backup Information				

This contract will provide air monitoring services for asbestos and lead-based paints for Austin Energy facilities including inspection, damage assessment, risk assessment, design of abatement plans and specifications, on-site monitoring, on-site project management of asbestos and/or lead-based paint remediation and response to emergency notifications. These services are required in order to comply with state and federal regulations and the City's Asbestos Control Policy.

An Austin Energy evaluation team with air monitoring and lead-based paint assessment and inspection expertise evaluated the proposals based on qualifications, management structure, required work documents, experience and total evaluated cost. The evaluation team unanimously recommended awards to the two best evaluated proposers to ensure that services will be available at all times.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offerors, negotiations will cease with the providers. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 18/17

MBE/WBE bid: 1/1

PRICE ANALYSIS

- a. Adequate competition.
- b. Three hundred and forty-four notices were sent including 18 MBEs and 17 WBEs. Four proposals were received including one MBE and one WBE.

APPROVAL JUSTIFICATION

- a. Best evaluated proposals received. Fercam Group and Terracon Consultants Inc. are the current providers of this service.
- b. The Purchasing office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	9161	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 25, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of Amendment No. 2 to a contract with DIGITAL INSPECTIONS, Corvallis, OR, for the maintenance and support of CASCADE database software to exercise the second 12-month extension option in an estimated amount not to exceed \$20,277, authorize award of the two remaining 12-month extension options in an estimated amount not to exceed \$20,277 per extension option and to authorize five additional 12-month extension options in an amount not to exceed \$20,277 per extension option, for a revised total contract amount not to exceed \$202,767.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$20,277 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 11 months of the original contract period and extension options is contingent upon available funding in future budgets.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:	Contract Amendment			
Prior Council Action:				
For More Information:	Gage Loots, Buyer II/322-6118			
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August, 15, 2011.			
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.			
Related Items:				
Additional Backup Information				

This contract is for continued maintenance and support of the CASCADE database software for Austin Energy (AE). This software is a proprietary program and is an all-inclusive database configured specifically for use in electric utility substations. This software allows AE to track equipment maintenance and monitor maintenance schedules recommended by the manufacturers of the various types of substation equipment such as relays, transformers and circuit switchers. This maintenance and support contract includes software updates, modifications, and fixes as well as technical support, all of which ensure that the software continues to perform as intended.

This contract was awarded in 2009 as a sole source purchase. Amendment No. 1 was issued in October, 2010 for \$20,277 for the first extension period. This Recommendation for Council Action is to approve Amendment No. 2 to exercise the second option in an amount not to exceed \$20,277, authorize award of the three remaining 12-month extension options when appropriate in an estimated amount not to exceed \$20,277 each and to add an additional five 12-month extension options in an estimated amount not to exceed \$20,277 each. Digital Inspections is the sole provider of support and maintenance for this proprietary software and they have no authorized providers for the service.

Contract Summary

Action	Description	Amount
Original Contract awarded 10/01/2009	Original 12-month contract	\$ 20,276.67
Amendment No. 1	Exercise the first 12-month extension option	\$ 20,276.67
Proposed Amendment No. 2	Authorize the second 12-month extension option and two remaining extension options and authorize the addition of five 12-month extension options	\$ 162,213.36
Total Revised Contract Amount		\$ 202,766.70

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	9162	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 25, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a 36-month requirements supply contract with BRUGG CABLES, LLC, Rome, GA, for the purchase of optical power ground wire cable for Austin Energy in an estimated amount not to exceed \$753,450, with three 12-month extension options in an estimated amount not to exceed \$251,150 per extension option, for a total estimated contract amount not to exceed \$1,506,900.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$251,150 is available in the Fiscal Year 2010-2011 Capital Budget of Austin Energy. Funding for the remaining 35 months of the original contract period and extension options is contingent upon available funding in future budgets.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:	Lowest bid meeting specification of eight bids received.			
Prior Council Action:				
For More Information:	Gage Loots, Buyer II/512-322-6118			
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011.			
MBE / WBE:	This contract will be awarded in compliance with Chapter 2-D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.			
Related Items:				
Additional Backup Information				
<p>This contract will provide Austin Energy (AE) with three types of optical power ground wire (OPGW) cable on an as-needed basis. OPGW cable contains optical fibers within a tubular structure surrounded by layers of steel and aluminum wire which combines the functions of grounding and communications. The cable is run between the tops of high-voltage electricity pylons and the conductive part of the cable serves to bond adjacent towers; shielding the conductors from lightning strikes. The optical fibers within the cable are used for high-speed transmission of data including voice and video, allowing for a continuous flow of information throughout AE's telecommunications network.</p>				

MBE/WBE solicited: 1/1

MBE/WBE bid: 0/0

BID TABULATION

IFB No. GAL0021

Optical Power Ground Wire Cable

(3 – line items)

<u>Vendor</u>	<u>Total Bid Amount – 12 months</u>
Brugg Cables, LLC Rome, GA	\$251,150.00
American Wire Group Hallandale, FL	\$251,975.00
KBS Electrical Distributors, Inc. Austin, TX	\$275,400.00
Power Supply, Inc. Austin, TX	\$280,300.00
Techline, Inc. Austin, TX	\$327,250.00
Galaxy Electronics Company Richardson, TX	\$370,250.00
Suzhou Furukawa Power Optic Cable Co., Ltd. Wujiang City, Jiangsu Province, China	*
AFL Telecommunications, LLC Duncan, SC	*

* Non-responsive, did not meet specifications as required by the solicitation.

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

PRICE ANALYSIS

- Adequate competition.
- One hundred eighty-three notices were sent, including one MBE and one WBE. Eight bids were received, with no response from the MBE/WBE.
- The pricing offered represents a 4% decrease from the last contract award made October 2005.

APPROVAL JUSTIFICATION

- Lowest bid received. Brugg Cables, LLC is the current provider of these goods.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

AGENDA**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	9163	Agenda Number	<ITEM_OUTLINE>
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Meeting Date: August 25, 2011

Department: Purchasing

Subject

Authorize award, negotiation and execution of a 12-month requirements service contract with KORTERRA INCORPORATED, Chanhassen, MN, for the purchase of Application Service Provider (ASP) hosting services for damage prevention services for Austin Energy in an estimated amount not to exceed \$50,000, with four 12-month extension options in an estimated amount not to exceed \$50,000 per extension option, for a total estimated contract amount not to exceed \$250,000.

Amount and Source of Funding

Funding in the amount of \$4,167 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 11 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Sole Source.
Prior Council Action:	
For More Information:	Art Acuña, Senior Buyer/512-322-6307
Boards and Commission Action:	To be reviewed by Electric Utility Commission on August 15, 2011.
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.
Related Items:	

Additional Backup Information

This contract is for the continuation of Application Service Provider (ASP) Hosting and for KorTerra Client Server C/S KorWeb Services for Austin Energy (AE) and Austin Water Utility (AWU).

KorTerra provides AE with the functionality to manage "locate requests" for the Texas Excavation Safety System (TESS). KorTerra will maintain the ASP environment in a tier one data center, provide full C/S functionality for receipt and management of locate requests, provide, store and forward mobile application for field users, provide web-based applications on the same client server technology with an interface to street mapping software, e-mail positive response

capability, and divide locate requests for individual departments.

KorTerra is the owner and sole provider of the proprietary source code for KorTerra software. AE as well as the AWU have been using KorTerra's ASP hosted application for five years and have in place the existing infrastructure needed to support KorTerra. KorTerra is also supported through both City of Austin and AE's existing network and internet security environments. All of AE's map location and configuration data are stored within the KorTerra application.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	9152	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 25, 2011			
Department:	Purchasing			
Subject				
Authorize award, negotiation and execution of a 36-month requirements service and supply contract with EATON CORPORATION, Raleigh, NC, for the purchase of UPS batteries including an extended warranty and service agreement for Austin Energy in an estimated amount not to exceed \$135,890.				
Amount and Source of Funding				
Funding in the amount of \$11,324 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 35 months of the original contract period is contingent upon available funding in future budgets.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	Single Source.			
Prior Council Action:				
For More Information:	Karen Williams, Senior Buyer, 512-322-6467			
Boards and Commission Action:	To be reviewed by Electric Utility Commission on August 15, 2011.			
MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No Subcontracting opportunities were identified; therefore, no goals were established for this contract.			
Related Items:				

Additional Backup Information

This contract will provide for the purchase of a total of 320 Powerware brand Uninterrupted Power System (UPS) batteries for the Uninterrupted Power Supply (UPS) at the Combined Transportation, Emergency & Communications Center (CTECC).

Austin Energy provides electrical power for CTECC, and this facility must meet 99.999% reliability in the event of activation. If conventional power fails, an Uninterruptable Power System is activated. The UPS system provides a short term back-up power source for 911 Operations serving the Austin and Travis County region, and directly supports the City of Austin, Travis County, Texas Department of Transportation and Capital Metro.

Eaton Corporation is the Original Equipment Manufacturer (OEM) for the original UPS system and currently maintains the UPS equipment. Therefore, the replacement batteries, continued maintenance, and extended warranty, can only be provided by this Original Manufacturer. The batteries are being replaced for the following reasons.

1. The life expectancy of the each battery is 5 years.
2. The expiration date on all batteries currently in place is August 2011.
3. Once the life expectancy is met a rapid failure rate of the batteries can be expected.
4. Recent inspection of the batteries by Eaton Electrical identified 8 batteries that need replacement immediately.

As specified in the Interdepartmental Service Agreement dated January 2, 2003 and amended May 7, 2008, between Austin Energy (AE) and COA Communications and Technology Management (CTM), acting on behalf of CTECC, AE is responsible for providing all Facility Maintenance Services for CTECC facility. AE provides internal labor and manages contractors then bills CTM for the services. CTM bills other owners according to their share of ownership as outlined in the Interlocal Agreement dated August 14, 2001 between the City of Austin, the Texas Department of Transportation, the Travis County Sheriff's Office and the Capital Metropolitan Transportation Authority. That document defines CTECC as a jointly-owned facility: COA 63%; Travis County 14%; TXDOT 21%; Capital Metro 2%.

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action (Purchasing)**

Austin City Council		Item ID:	9154	Agenda Number	<ITEM_OUTLINE>
Meeting Date:		August 25, 2011			
Department:		Purchasing			
Subject					
Authorize award, negotiation, and execution of Amendment No. 3 to a contract with T-C Barton Springs LLC, Austin, TX to increase the contract for the lease of office space located at 811 Barton Springs Road in an estimated amount not to exceed \$390,000, for a total revised contract amount not to exceed \$7,312,265.					
Amount and Source of Funding					
Funding is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:	08/09/2001 – Approved 36-month contract; 05/27/2004–Approved Amendment No. 1; 07/24/2008 – Approved Amendment No. 2				
For More Information:	Karen Williams, Senior Buyer, 322-6467				
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011.				
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). This is a Cooperative Purchase; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.				
Related Items:					

Additional Backup Information

On August 9, 2001, the City Council authorized Austin Energy (AE) to lease 7,236 square feet of office space at 811 Barton Springs Rd. On May 27, 2004, the City Council authorized Austin Energy to amend the lease to encompass 23,533 square feet of space and added an additional 84-month term to the lease. On July 24, 2008, the City Council authorized additional lease agreements for a total of 49,911 square feet of office space as well as adding an additional 36-month term to the lease. This AE lease includes general office space, training rooms and meeting rooms. This space accommodates several AE mission critical and strategic activities such as Engineering and Power Production and Maximo (the city-wide inventory management system), as well as Energy Efficiency, Renewable Power Generation, Customer Care, and Marketing

As part of the lease agreement, AE is required to pay the base rent negotiated in the terms of the lease as well as operating expenses for the building. These operating expenses fluctuate and are not controlled by AE. This proposed action will increase the contract amount to the existing lease to cover additional operating expenses for the contract

set to expire on October 31, 2011. AE needs an increase in authorization to cover the additional cost of these expenses through the end of the contract term.

There is a new 7-year lease in place that was approved by Council on April 28, 2011 that will begin on November 1, 2011.

Contract Summary

Action	Description	Amount
Original Contract awarded 08/09/01	Original 36-month contract	\$ 698,500
Amendment No.1	Per council approval, additional 84 month lease was added with additional office space	\$ 4,063,996
Amendment No.2	Per council approval, additional 37 month lease was added with additional office space	\$ 2,159,769
Proposed Amendment No. 3	Allow continuation of lease payments through the end of the contract term (10/31/11)	\$ 390,000
Total Revised Contract Amount		\$ 7,312,265

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	9155	Agenda Number	<ITEM_OUTLINE>
Meeting Date:		August 25, 2011			
Department:		Purchasing			
Subject					
Authorize award, negotiation and execution of an amendment No. 6 to a requirements service contract with DOBLE ENGINEERING COMPANY, Watertown, MA for the lease of oil analysis equipment, software and consulting services for Austin Energy to add an additional five 12-month extension options in an estimated not to exceed \$59,238 per extension option, for a total estimated amount not to exceed \$568,782.					
Amount and Source of Funding					
Funding in the amount of \$4,937 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 11 months of the original contract period and extension options is contingent upon available funding in future budgets.					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:	Contract Amendment.				
Prior Council Action:	6/8/2006 – Approved 12-month contract with four 12-month extension options.				
For More Information:	Karen Williams, Sr. Buyer, 512-322-6467				
Boards and Commission Action:	To be reviewed by Electric Utility Commission on 8/15/2011.				
MBE / WBE:	This contract was 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.				
Related Items:					

Additional Backup Information

This contract is for the required equipment and software to test substation equipment both for preventative and predictive maintenance to insure the equipment is working as designed, including the insulation oil of high voltage electrical equipment. In addition to the lease of the test equipment and software, this contract will provide consulting services on insulation problems, testing and research on static electrification and insulation aging. Doble Engineering is the sole provider for the software necessary to test the equipment. This software is based on the company's long-term history, analysis research and access to Doble's Library of Reference Books, Guides and Conference Minutes.

Doble Engineering is the sole supporter of the following equipment 2-M4000 Insulation Analyzers without Controllers, TDR9000, 2-DTA software licenses, 2-TTR Capacitors, 2-M4300 Transports. Additionally only Doble Engineering can support DTAWeb test database software and DTAField test software. Austin Energy standardized

on Doble equipment in 1993. All substation field technicians have been trained on the equipment and have been using it for the past 18 years.

This contract was issued as a sole source contract in 2006. Amendment No. 1 was issued in [month, year] for \$2,450. Amendment No. 2 was issued in [month, year] for \$3,928. Amendment No. 3 was issued in [month, year] for \$5,573. Amendment No. 4 was issued in [month, year] for \$7,081. Amendment No. 5 was issued in [month, year] as a no cost contract holdover. The recommended Council action is to approve Amendment No. 6 for the authorization to enter into the first of five 12 month extension options on a continuing sole source basis, and the other four options when appropriate, for a final contract value of \$568,782.

Contract Summary

Original Contract	Original 12-month contract, with four 12-month extension options	\$253,560
Amendment No. 1	Exercised Extension option #1, administrative increase	\$2,450
Amendment No. 2	Exercised Extension option #2, administrative increase	\$3,928
Amendment No. 3	Exercised Extension option #3, administrative increase	\$5,573
Amendment No. 4	Exercised Extension option #4, administrative increase	\$7,081
Amendment No. 5	Contract Holdover	\$0.00
Proposed Amendment No. 6	Approval of an additional five 12-month extension options	\$296,190
Total Revised Contract Amount		\$568,782

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

9156

Agenda Number

<ITEM_OUTLINE>

Meeting Date:

August 25, 2011

Department:

Purchasing

Subject

Authorize award and execution of Amendment No. 2 to a contract with CLARITAS INC., San Diego, CA for Customer Segmentation Data services for Austin Energy to exercise the second 12-month extension option in an estimated amount not to exceed \$18,995, with 2 additional 12-month extension options in an estimated amount not to exceed \$18,995 per extension option and to add three additional 12-month extension options in an amount not to exceed \$18,995 per extension option, for a revised total estimated contract amount not to exceed \$170,955.

Amount and Source of Funding

Funding in the amount of \$1,583 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining eleven months of this 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.

Purchasing Language:

Contract Amendment.

Prior Council Action:

For More Information:

Terry Nicholson, Senior Buyer, 512-322-6586

Boards and Commission Action:

To be reviewed by the Electric Utility Commission on 8/15/2011.

MBE / WBE:

Related Items:

Additional Backup Information

This contract provides Austin Energy Market Research & Product Development with psychographic data (i.e. information regarding attitudes and proclivity to participate in energy efficiency investments).

Pursuant to goals established under the City of Austin Climate Protection Plan, Austin Energy is directed to achieve 800 MW of energy efficiency by 2020. Achieving these goals will require the utility to go beyond and to work smarter in promoting our energy efficiency programs. One manner to achieve this is to understand that our customer base is not monolithic and can be segmented into different groups which may be motivated by different messages and influenced by different values. Our customer base is varied, not monolithic, so segmenting provides the most cost effective use of our marketing resources, as well as providing for continuing maintenance of our residential customer

database.

This contract was awarded in 2008 as a sole source purchase. Amendment No 1 was issued in August, 2010 for the first extension period. This Recommendation for Council Action is to approve Amendment No. 2 and authorize award of the remaining three extension options in an estimated amount not to exceed \$18,995 each and to add an additional three 12-month extension options in an estimated amount not to exceed \$18,995 each.

Contract Summary

Action	Description	Amount
Original Contract awarded 09/12/2008	Original 24-month contract	\$37,990.00
Amendment No. 1	Exercise the first 12-month extension option	\$18,995.00
Proposed Amendment No. 2	Approve award of the remaining three 12-month extension options and approve the addition of three 12-month extension options	\$113,970.00
Total Revised Contract Amount		\$170,955.00

A U S T I N C I T Y C O U N C I L

AGENDA**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	9160	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 25, 2011			
Department:	Purchasing			
Subject				
Authorize award and execution of a contract through the TEXAS MULTIPLE AWARD SCHEDULE (TXMAS) cooperative purchasing program with JOHNSON CONTROLS, INC., Austin, TX, for the purchase and installation of two new high efficiency chillers at the Givens Recreation Center and the Conley-Guerrero Senior Center in an estimated amount not to exceed \$141,135.				
Amount and Source of Funding				
Funding is available from the Department of Energy (DOE) as a result of the American Recovery and Reinvestment Act (ARRA) of 2009 for the grant period of December 28, 2009 to December 27, 2012. No match is required.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	Cooperative Purchase.			
Prior Council Action:	February 4, 2010 - Approved acceptance of \$7,492,700 grant from DOE amending the budget.			
For More Information:	Shawn Harris, Supervising Sr. Buyer, 505-7351			
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011 and the Resource Management Commission on August 16, 2011.			
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). Although this contract is exempt under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation, 4.00% WBE subcontractor participation has been met.			
Related Items:				

Additional Backup Information

This contract is for the purchase and installation of new high efficiency chillers for the Givens Recreation Center and the Conley-Guerrero Senior Center. The systems and related equipment currently in use at these facilities have exceeded their life expectancy and are much less efficient than the proposed replacement units. The current chiller at the Conley-Guerrero facility is operating at 50% capacity because one of the two compressors is not functioning. The current chiller at the Givens facility is operating at 75% capacity since one of the four compressors is not functioning.

Chillers cool or "chill" water to be distributed in buildings to air condition occupied spaces. Once the chilled water is used,

it is returned to the chiller where the water is chilled again and sent back through a continuous loop.

This contract with Johnson Controls, Inc. will replace the old, inefficient chillers with new high efficiency machines, and install one variable frequency drive (VFD) at Givens, and one new pump at Conley-Guerrero. The new chillers, VFD, and pump combination will reduce energy consumption and facility maintenance. This is expected to reduce operating costs and will provide a significant reduction of the City of Austin's carbon footprint.

This action will result in reducing the two facilities' electrical demand by a combined 10.1 kW, and energy usage by an estimated 50,618 kWh per year. These savings are equivalent to an estimated 32.7 tons of Carbon Dioxide, 57,482 vehicle miles traveled, removal of 7.2 cars from our roadways, the planting of 1,123 trees, or 56.1 acres of forest in Austin's parks.

Johnson Controls, Inc is contracted through TXMAS to provide this service and equipment to other public entities statewide. The cooperative purchasing program is coordinated by the State of Texas, Comptroller of Public Accounts and allows the City to use TXMAS contracts that have been developed from contracts that were competitively bid and awarded by the General Services Administrations Federal Supply Service. This expedited purchasing process is ideally suited to the expedited project completion requirements associated with ARRA Federal grants. A separate procurement for this equipment could compromise Austin Energy's ability to timely complete this money-saving project.

M/WBE Summary

Although Cooperative Purchases are exempted from the MBE/WBE Procurement program and no goals were established for this contract, Johnson Controls., Inc, identified the following subcontracting opportunities:

<u>NON M/WBE – PRIME</u>	\$113,835.00	80.60 %
Johnson Controls. Inc., Austin, TX	\$113,835.00	80.60 %
<u>WBE TOTAL SUBCONTRACTORS</u>	\$5,700.00	4.00 %
(FW) J S Electric Inc Buda, TX, Electrical	\$5,700.00	4.00 %
<u>NON M/WBE – SUBCONTRACTORS</u>	\$21,600.00	15.40%
YPS Mechanical Services, Aus, Mech piping	\$12,500.00	8.90%
Austin Crane, Austin, Crane, Rigging	\$4,200.00	3.00 %
Automated Logic, Austin, Lighting, Heating	\$4,250.00	3.00 %
Nalco, Austin, Water treatment	\$650.00	0.50 %

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	9158	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	August 25, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award, negotiation and execution of Amendment No. 3 to a contract with the STATE of TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR), with Adjacent Technologies, Austin, TX, to increase the contract for software upgrade, implementation and to extend support services for the existing IBM FileNet software, including technical, training, and annual support and maintenance services for applications and software, in an estimated amount not to exceed \$920,000; and to add four 12-month extension options in an amount not to exceed \$962,000 for the third extension option, \$912,000 for the fourth extension option, \$908,200 for the fifth extension option and \$808,200 for the sixth extension option, for a total revised contract amount not to exceed \$6,440,400.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$100,000 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining 11 months of the current extension option period and the four 12-month extension options is contingent upon available funding in future budgets.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:	Contract Amendment			
Prior Council Action:				
For More Information:	Art Acuña, Senior Buyer, 322-6307			
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on August 15, 2011.			
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). This contract is a Cooperative Purchase; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.			
Related Items:				
Additional Backup Information				

This proposed amendment No. 3 will authorize implementation of an upgrade to and maintenance/support of the existing IBM FileNet Enterprise Content Management software system and for installation and maintenance/support of the newly purchased IBM module software for the FileNet suite called Case Manager. The services will include technical, training and annual support and maintenance services of the software and existing applications, to be provided by Adjacent Technologies, Austin, TX under the DIR contract No. DIR-SDD-884. Adjacent Technologies is a local Enterprise Content Manager (ECM) partner-integrator for the IBM-FileNet software and has implemented the applications currently in use at Austin Energy. The existing applications include: document management and nonconformity tracking systems in support of ISO registration for Customer Care and Electric Service Delivery; document repository for mandatory environmental documents and property easements; and a document management system for the weatherization grant processes in Distributed Energy Services.

FileNet is IBM's ECM tool used to capture, manage, store, preserve, and deliver content and documents related to organizational processes, as well as to provide automated workflows for document approval and nonconformity identification and resolution.

Contract Summary

Action	Description	Amount
Original Contract awarded 08/03/09	Original 12-month contract	\$ 680,000.00
Amendment No.1	1 st Extension Option	\$ 725,000.00
Amendment No.2	2 nd Extension Option	\$ 525,000.00
Proposed Amendment No. 3	Upgrade of existing software, additional implementation services, and the addition of four 12-month contract options	\$4,510,400.00
Total Revised Contract Amount		\$6,440,400.00

CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: AM CONSERVATION GROUP, INC

EUC Item 22
AGENDA DATE: 09/22/2011
PAGE 1 OF 2

SUBJECT: Authorize award and execution of a 12-month requirements service agreement with AM CONSERVATION GROUP, INC, Charleston, SC to purchase weatherization kits for Austin Energy, in an estimated amount not to exceed \$393,710, with four 12-month extension options in an estimated amount not to exceed \$265,710 per extension option, for a total estimated contract amount not to exceed \$1,456,550.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$132,000 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining eleven months of the original contract period and extension options is contingent upon available funding in future budgets.

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

FOR MORE INFORMATION CONTACT: Terry V. Nicholson, Buyer Sr. /512-322-6586

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on August 15, 2011 and the Resource Management Commission on August 16, 2011.

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.

In February 2007, the Austin City Council passed resolution 20070215-023, creating the Austin Climate protection Plan that directed the City to begin taking action to make Austin the leading city in the nation in the effort to reduce and reverse the negative impacts of global warming.

In 2008, Austin Energy developed the Power Saver Volunteer program where participants helped to reduce summer peak demand, thereby reducing the need to build new power plants saving electricity and reducing environmental impacts. In 2011, Austin Energy redesigned the program to provide continual energy education to our customers to promote energy conservation with a new focus to control peak demand year-round.

This contract with AM Conservation Group, Inc. is for the purchase of weatherization kits containing household weatherization materials. Power Saver Volunteers will receive a kit which includes two Energy Star® labeled compact fluorescent light bulbs (14 Watt & 20 Watt), adhesive foam tape for sealing a door or window, light switch and electrical outlet seals and an energy saver nightlight.

During a recent campaign, Austin Energy received an overwhelming response from customers to participate as potential Power Saver Volunteers participants. This contract will provide approximately 10,000 kits to fulfill a waiting list of new Power Saver Volunteers. Austin Energy plans to distribute 1,750 kits monthly for the duration of the contract.

This program is one element of Austin Energy's comprehensive Energy Resource Plan, approved in December 2003 by Austin City Council, designed to reduce local air pollution through energy conservation, to reduce peak demand, and to assist customers in reducing electric consumption. The Power Saver Volunteer program is an effort to educate customers regarding energy conservation and to help customers save money on their energy bills. The potential annual average energy savings is as much as 2.4 MW and 111 Megawatt hours (MWh).

**CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: AM CONSERVATION GROUP, INC**

**AGENDA DATE: 09/22/2011
PAGE 2 OF 2**

The demand (MW) savings associated with the Power Saver Volunteers is estimated at 12 MW, at a program cost of \$131 per kilowatt saved. The annual estimated kilowatt hour (kWh) savings of 12,664,344 represents a major benefit to the Austin environment. This project will prevent the following air pollutants from being emitted: 7,604.3 metric tons of Carbon Dioxide (CO₂), 4.794 metric tons of Sulfur Dioxide (SO₂), and 5.301 metric tons of Nitrogen Oxides (NOX).

In addition, the project savings are also equivalent to an estimated 17,073,850 vehicle miles traveled, the removal of 1,457 cars from our roadways, or the planting of 195,362 trees or 9,768 acres of forest in Austin's parks.

BID TABULATION

IFB TVN0067
Weatherization Kits
(3 Line Items)

VENDOR

**AM Conservation Group, Inc.
Charleston, NC**

Total Bid

\$393,710.00

Energy Guys, LLC
Austin, TX

\$637,638.00

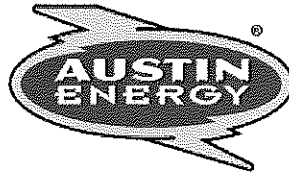
A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS:

- a. Adequate competition.
- b. Eighty-five notices were sent, including five MBEs and five WBEs. Two bids were received with no response from the MBE/WBE's.
- c. The pricing offered represents a 3.7% decrease from the last contract award in October, 2008.

APPROVAL JUSTIFICATION

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

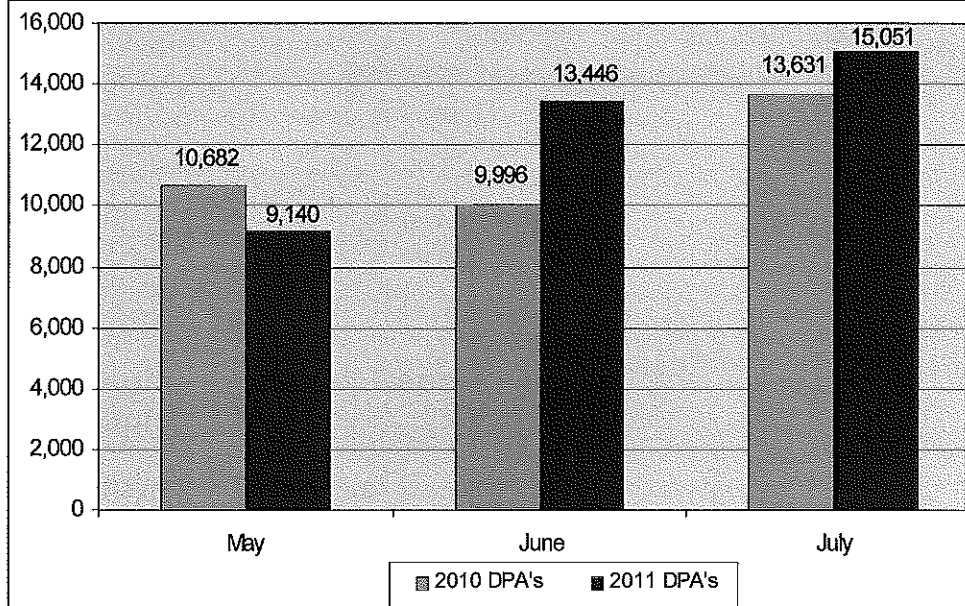


Monthly DPA and Disconnect Report July 2011

Deferred Payment Agreements

	2010	2011
Month	DPAs	DPAs
May	10,682	9,140
June	9,996	13,446
July	13,361	15,051
Monthly Total	34,309	37,637

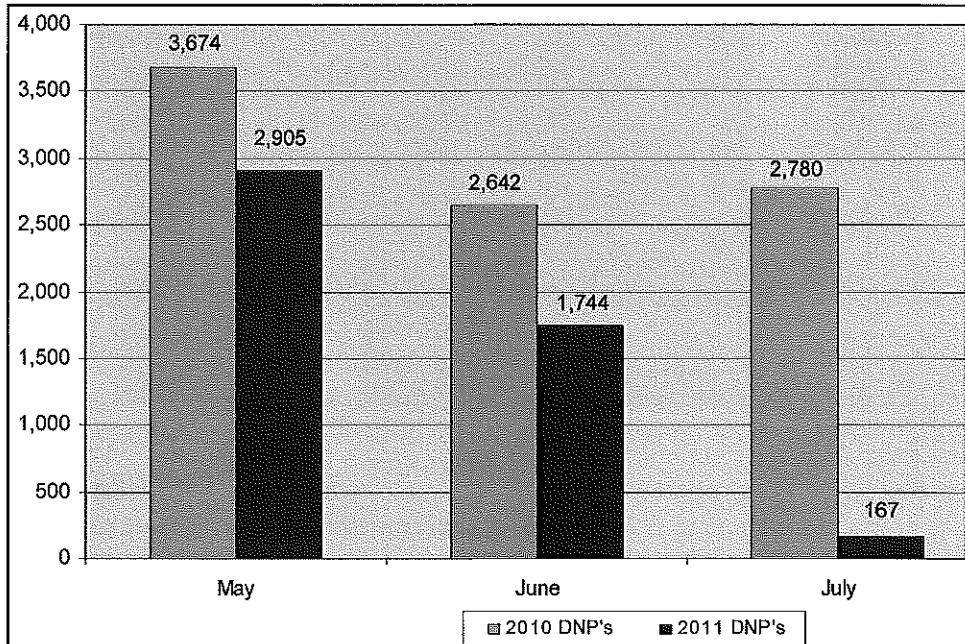
Note: For July 2011 there was a 13% increase in the number of DPAs written compared to the number written in July 2010.

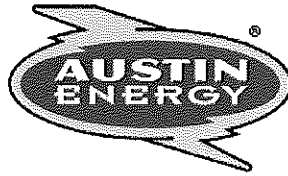


Residential Disconnections

	2010	2011
Month	Disconnects	Disconnects
May	3,674	2,905
June	2,642	1,744
July	2,780	167
Monthly Total	9,096	4,816

Life Support Information For the month of July 2011, 182 customers were identified as Medically Vulnerable; that number was 95 in July 2010. 36 accounts received 24 hour notices and 0 accounts were disconnected (due to payment being received or payment arrangement being activated). 199 requests were received for Medically Vulnerable status in July 2011; 67 requests were received for Medically Vulnerable status in July 2010.

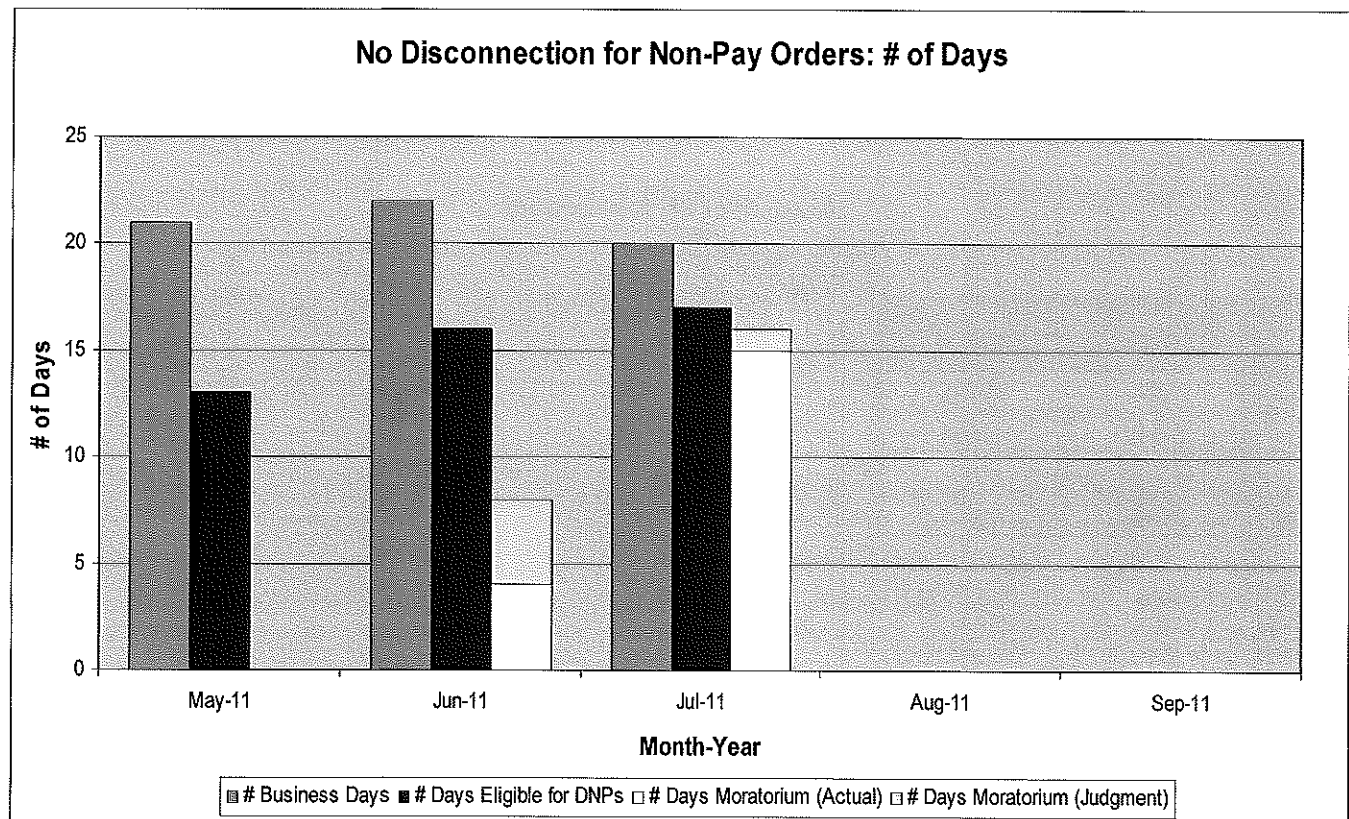




Summer Moratorium Information

For the month of July 2011, Austin Energy has recorded a total of 17 business days eligible to create disconnect for non-payment (DNP) service orders. Austin Energy has implemented the summer weather moratorium on 16 days, and DNP's were only issued on July 1st due to the combination of actual plus forecasted heat index.

	# Business Days	# Days Eligible for DNP's	# Days Moratorium (Actual)	# Days Moratorium (Judgment)
May-11	21	13	0	0
Jun-11	22	16	4	4
Jul-11	20	17	15	1



AUSTIN ENERGY
FY 2011 BUDGET TO ACTUAL (Budget Based Statement)

Unaudited Results
\$ in Thousands

	June 2011 Year to Date Actual	June 2011 Year to Date Budget	Variance	Percent
<u>REVENUES</u>				
Service Area Base Revenue	\$ 425,783	\$ 406,964	\$ 18,819	4.6%
Bilateral & Ancillary Service Sales	11,806	16,875	(5,069)	-30.0%
Transmission Service Revenue	45,369	42,294	3,075	7.3%
Transmission Rider	7,477	5,418	2,059	38.0%
Miscellaneous Revenue	26,897	25,619	1,278	5.0%
Interest Income	5,517	4,279	1,238	28.9%
Total Operating Revenue Without Fuel Revenue	522,849	501,449	21,400	4.3%
Fuel & Green Choice Revenue	299,902	338,363	(38,461)	-11.4%
Total Operating Revenue	822,751	839,812	(17,061)	-2.0%
<u>OPERATING REQUIREMENTS</u>				
Fuel and Green Power Expense	299,902	338,363	38,461	11.4%
<u>Department O&M Without Fuel</u>				
Department O&M	143,221	152,921	9,700	6.3%
Transmission Service Expense	50,004	49,477	(527)	-1.1%
South Texas Project O&M	49,096	44,039	(5,057)	-11.5%
Fayette Power Project O&M	23,233	21,368	(1,865)	-8.7%
Call Center	19,249	25,254	6,005	23.8%
Energy Conservation Rebates	8,250	10,639	2,389	22.5%
Bad Debt Expense	2,434	2,359	(75)	-3.2%
Administrative Support Transfer	11,392	11,392	0	0.0%
Total Operating O&M Without Fuel	306,879	317,449	10,570	3.3%
Total Operating Requirements	606,781	655,812	49,031	7.5%
<u>DEBT SERVICE REQUIREMENTS</u>				
Revenue Bond & Other Obligations	105,320	104,667	(653)	-0.6%
Total Debt Service Requirements	105,320	104,667	(653)	-0.6%
<u>TRANSFERS/USES OF COVERAGE</u>				
General Fund Transfer	77,250	77,250	0	0.0%
Electric CIP Transfer	55,511	55,511	0	0.0%
Economic Incentive Fund Transfer	569	569	0	0.0%
Total Transfers	133,330	133,330	0	0.0%
Total Requirements Without Encumbrances	845,431	893,809	48,378	5.4%
Total Encumbrances	12,810	12,810	0	0.0%
Total Requirements	858,241	906,619	48,378	5.3%
CHANGE TO BEGINNING BALANCE	\$ (35,490)	\$ (66,807)	\$ 31,317	46.9%

**Austin Energy 2011 Rate Review
Decision Point List (DPL)**

Issue	Austin Energy Staff Recommendation ¹	Residential Rate Advisor	Other Parties	Electric Utility Commission
1) Achieve Revenue Requirement				
2) Align Rates by Customer Class with Cost of Service (minimize subsidies across customer classes)				
3) Set Policy Bounds on Customer Class Alignment with Cost of Service				
4) Mitigate Impacts Within Customer Classes				
5) Select a Production Demand Cost Allocation Method				
6) Consolidate Customer Classes				
7) Update Rate Structure for Residential Customers				
8) Update Rate Structure for Commercial and Industrial Customers				
9) Update Fuel and Energy Market Costs Recovery Mechanism				

¹ Preliminary; to be finalized for final proposal to the Austin City Council based on consideration of public input and input from the EUC.

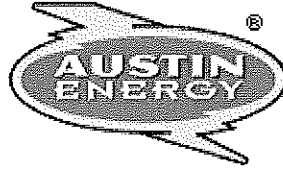
Draft – August 15, 2011

Issue	Austin Energy Staff Recommendation¹	Residential Rate Advisor	Other Parties	Electric Utility Commission
10) Apply Regulatory Charge				
11) Apply Community Benefit Charge				
12) Update Summer Rate Period				
13) Apply Residential Customer Charge				
14) Apply Residential Electric Delivery Charge				
15) Implement Residential Inclining Block Tiered Rate Structure for Energy Charge				
16) Fund Customer Assistance Program				
17) Apply Commercial and Industrial Customer Charge				
18) Apply Commercial and Industrial Electric Delivery Charge				
19) Apply Commercial and Industrial Demand Charge				
20) Apply Power Factor Adjustment for Commercial and Industrial Customers				
21) Implement Experimental Time-of-Use Rates				
22) Update Renewable Energy Rate Option				

Draft – August 15, 2011

Issue	Austin Energy Staff Recommendation¹	Residential Rate Advisor	Other Parties	Electric Utility Commission
(GreenChoice®)				
23) Update Net Metering Rate Option				
24) Update Thermal Energy Rate Option				
25) Implement Plan for Pricing Pilot Projects with Pecan Street Project				
26) Implement Plan for Future Pricing of Long-Term Contract Customers				

Draft – August 15, 2011



Austin Energy will be seeking City Council approval of a long term wind power purchase agreement. City Council Resolution No. 20110310-003 requires that the following information be made publically available not less than 30 days before formal public discussion on proposed agreements:

1. Description of the type of resource, e.g. wind, solar, gas combined cycle etc.

Wind

2. Generation Capacity (Total Megawatts)

Approximately 200 MW

3. Expected technology and cost discussion – fixed, variable and expected cost range

The recommended resource is an on-shore wind project with turbines from 1.6MW to 2.4 MW in size. The recommended resource is expected to have a fixed price over the term of the power purchase agreement in the \$35-\$45/MWh range.

4. Discussion of how the resource fits into the portfolio, base load, peaking or intermittent.

As a wind resource, energy output will be intermittent and vary by time of year and day based on atmospheric conditions. Compared to wind projects in West Texas, the recommended project is expected to produce energy that is more consistent over the course of year and more closely aligned with peak demand due to its location in South Texas and proximity to the coast.

5. Expected date for energy to be available

December 2012

6. Expected timing and impact to resource plan and affordability goals

The recommended project is expected to be online by December 2012. It is intended to help address Resource Plan wind additions slated for 2011 (200MW), 2013 (150 MW) and 2015 (100MW) in conjunction with 291 MW of wind projects recommended as of July 15, 2011. This project is expected to support achievement of affordability goals since it offers pricing that is 1) expected to maintain or slightly lower forecasted energy costs and 2) will not increase in price over time.

7. Update on existing pending resource acquisitions

Austin Energy provided notice on July 15, 2011 of its intent to recommend 291 MW of wind resources under two Power Purchase Agreements. The Austin City Council is expected to consider those recommendations at its August 18th and August 25th 2011 meetings.

The 30 MW Webberville Solar Project is under construction and expected to commence operation by December 2011. The 100 MW Nacogdoches Biomass Project is under construction and expected to commence operation by summer 2012.

8. Current efficiency offsets achieved since 2007

Since 2007, 223 MW of peak demand reduction and 442,555,676 kWh of energy savings have been achieved.

9. Current renewable energy split between Green Choice and fuel charge

The 2011 renewable energy supply is projected to be split 71% GreenChoice and 29% fuel charge.

10. Update on status of federal or state environmental legislation

There is no significant state or federal environmental legislation with potential impacts to the electric utility sector pending or anticipated at this time. In addition, these projects will not be impacted by new emission standards recently announced by the EPA and will support AE's compliance with the new standards.

11. Overview of resource(s) being sought

The focus of this solicitation was to acquire additional utility scale renewable energy resources to help meet Austin Energy's renewable energy goals. The RFP requested proposals for up to 200 MW for wind or solar resources.

The recommended resource is 200 MW located in South Texas near the gulf coast. The project is expected to be online in the fourth quarter of 2012. This resource and the previously recommended wind resources were determined to have the best cost and benefit of the proposals received.

12. Discussion and cost for possible alternatives to the acquisition

As noted in item 3, the recommended project is expected to cost \$35-\$45/MWh and have fixed pricing over the contract period. Comparable pricing for utility scale solar power is approximately \$90-\$100/MWh and would generally remain fixed. The primary non-renewable generation alternative would be natural gas based power. Current market pricing for a gas based energy only purchase would be approximately \$36-\$44/MWh but would not be fixed. The pricing estimates do not reflect differences in resource dispatch characteristics or transmission delivery cost.

13. Impact on affordability and Resource Plan goals - Renewable and energy efficiency targets, carbon, affordability, and bill impacts

The recommended projects support the Resource Plan goal of reaching 35% renewable energy by 2020. This project, in combination with the other recommended projects and previously contracted renewable resources, are expected to raise AE's renewable energy portfolio to approximately 30% once fully operational. As a renewable energy project, this project will not emit carbon dioxide or other air emissions. The recommended project is expected to support achievement of affordability goals since it offers pricing that is 1) expected to maintain or slightly lower forecasted energy costs and 2) do not escalate over time. Based on current projections, the recommended project is expected to have a negligible impact on customer bills.

UPCOMING PROCUREMENTS BY AUSTIN ENERGY - Purchasing Department Report • Electric Utility Commission • August 15, 2011

	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION
1	Forklift Lease Agreement	\$136,000/yr	Electric Service Delivery/Finance	October	Master lease agreement for seven forklifts for various AE locations
2	Credit Information Database	100,000/yr	Customer Care	October	Online credit information database used to qualify new customers
3	Heavy Equipment Lease	\$450,000/yr	Electric Service Delivery/Finance	October	Master Agreement for the lease of heavy equipment such as aerial devices, digger derricks, service bodies and cranes
4	Chillers	\$145,000	Distributed Energy Services	October	Purchase of 2-Chillers, 1 each for Conley-Guerrero Center & Givens Rec. Center with grant funding.
5	Appliance Replacement & recycling Program	\$535,000/yr	Distributed Energy Services	October	Program to replace old, high energy consuming appliances with more efficient equipment
6	Station Post Insulators	\$180,000	Electric Service Delivery	October	Purchase of station post insulators for planned upgrades at substations
7	Wood Poles	\$500,000/yr	Electric Service Delivery/Finance	October	Master Agreement for the purchase of creosote treated wood poles on an as-needed basis
8	Gas Turbine Maintenance	\$16M over 6 years	Power Supply & Market Operations	October	Master Agreement for maintenance services for gas turbines at Decker and Sand Hill
9	Power Plant & Chiller Plant Maintenance	\$2,700,000/yr	Power Supply & Market Operations	October	Maintenance contract for the power and chiller plants, replacing existing contract which is expiring
10	Network Transformers	\$1,100,000/yr	Electric Service Delivery	October	Master Agreement for the purchase on an as needed basis of network transformers
11	Electrical Supplies Agreement	\$550,000/yr	Electric Service Delivery/Finance	October	Master Agreement for the purchase of various electric supplies
12	Backfill Polyurethane Foam	\$146,720/yr	Finance	October	Master Agreement for the purchase of various polyurethane foam on an as needed basis for inventory supply.

