



Electric Utility Commission

5:00 PM – Regularly-Scheduled Business Meeting

6:00 PM – Discussion of Residential Rate Recommendations and Rate Options

September 19, 2011

Town Lake Center, Shudde Fath Conference Room

721 Barton Springs Road, Austin, Texas

AGENDA

Members:

Phillip Schmandt, Chair

Barbara Day

Stephen Smaha

Linda Shaw, Vice Chair

Shudde Fath

Dr. Michael E. Webber

Gary “Bernie” Bernfeld

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

(www.ci.austin.tx.us/cityclerk/boards_commissions/boards/bid27.htm)

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 4-15 may be acted upon by one motion. No separate discussion or action on any of the items is necessary unless desired by a Commissioner.](#)

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1. **CALL TO ORDER** – 5:00 PM
 2. **APPROVAL OF MINUTES** - Approve minutes of the August 15, 2011 regular meeting and the September 1, 2011 special-called meeting.
 3. **CITIZEN COMMUNICATIONS ON ITEMS 4 – 19** (*Please sign in to speak prior to meeting and limit comments to three minutes.*)

NEW BUSINESS – CONSENT ITEMS

4. Recommend authorization to execute a power purchase agreement with Iberdrola Renewables, Inc., for a term of up to twenty-five years for up to 200 megawatts of wind-generated electricity in an estimated amount of \$29,000,000 per year, for a total estimated contract amount of \$725,000,000.
5. Recommend issuance of a rebate to Dell Computers, Inc. for the installation of energy efficient equipment in an amount not to exceed \$122,403.
6. Recommend authorization to award and execute a 36-month requirements supply contract with HANSON PIPE & PRECAST INC., Austin, TX for the purchase of concrete pullboxes and manhole covers and rings for Austin Energy in an estimated amount not to exceed \$93,675, with three 12-month extension options in an estimated amount not to exceed \$31,225 per extension option, for a total estimated contract amount not to exceed \$187,350.
7. Recommend authorization to award and execute a contract with POWER SUPPLY, Austin, TX, for the purchase of station post insulators for Austin Energy in an amount not to exceed \$72,292.

8. Recommend authorization to award and execute a 12-month requirements supply contract with JAE GROUP, INC., Austin, TX for the purchase of substation surface rock for Austin Energy in an estimated amount not to exceed \$190,976, with four 12-month extension options in an estimated amount not to exceed \$190,976 per extension option, for a total estimated contract amount not to exceed \$954,880.
9. Recommend authorization to award and execute a 12-month requirements supply contract with EQUIPMENT DEPOT, PFLUGERVILLE, TX for the lease of forklifts for Austin Energy in an estimated amount not to exceed \$177,240, with three 12-month extension options in an estimated amount not to exceed \$177,240 per extension option, for a total estimated contract amount not to exceed \$708,960.
10. Recommend authorization to award and execute a 12-month requirements service agreement with ENTECH SALES AND SERVICE, INC., Buda, TX to provide corrective chiller repair services for Austin Energy in an estimated amount not to exceed \$28,500, with four 12-month extension options in an estimated amount not to exceed \$28,500 per extension option, for a total estimated contract amount not to exceed \$142,500.
11. Recommend authorization to award and execute Amendment No. 2 to a contract with OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST PA dba CONCENTRA MEDICAL CENTERS, Round Rock, TX, to provide a medical surveillance program for Austin Energy to exercise the second 12-month option in an estimated amount not to exceed \$45,598, and authorize the final 12-month extension option in an estimated amount not to exceed \$45,598, for a revised contract amount not to exceed \$182,392.
12. Recommend authorization to award, negotiate, and execute a 36-month requirements service contract with SUCCESSFACTORS (USA), San Mateo, CA for the purchase of an Application Service Provider (ASP) performance management hosted software subscription and software maintenance and support in an estimated amount not to exceed \$259,531 with two 12 - month extension options in an estimated amount not to exceed \$259,531 per extension option, for a total estimated contract amount not to exceed \$778,593.
13. Recommend authorization to award and execute various supply and service contracts during the Fiscal Year 2011-2012 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR) cooperative purchasing program, Austin, TX, for the purchase of computer, telephone, and network hardware, and the related maintenance services in an estimated amount not to exceed \$27,643,524. *(AE's share is \$11,180,500.)*
14. Recommend authorization to award and execute various service contracts during the Fiscal Year 2011-2012 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program, Austin, TX, for the purchase of technology services in an estimated amount not to exceed \$13,668,486. *(AE's share is \$6,702,000.)*
15. Recommend authorization to award and execute Authorize award and execution of various supply and service contracts during the Fiscal Year 2011-2012 through the STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES cooperative purchasing program, Austin, TX, for the purchase of computer software and software maintenance and support in an estimated amount not to exceed \$13,613,472. *(AE's share is \$9,041,000.)*

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.

STAFF REPORTS AND BRIEFINGS

16. Briefing on Austin Energy solar generation planning and City Council Resolution No. 20110804-027
17. Monthly Financial Report (time permitting, or may be written report only)
18. Deferred Payment Arrangements and Disconnections Report (time permitting, or may be written report only)
19. **FUTURE AGENDA ITEMS** – Request agenda items including information related to the Upcoming Procurements Report

20. RECESS

DISCUSSION OF RESIDENTIAL RATE RECOMMENDATIONS AND RATE OPTIONS – 6:00 PM

21. Citizen Communications: General (*Three minutes per person*)
22. Presentation of Residential Rate Recommendations and Rate Options by Austin Energy and responses to information requests received seven days prior to this meeting
23. Presentations of formal comments by Citizen Panels and Q&A with Panels by EUC regarding Residential Rates (*Each Panel will have 15 minutes for a presentation and 5 minutes for Q&A. Two panels may combine presentations for a 30-minute presentation and 10 minutes of Q&A. PowerPoint presentations must be submitted to ratereview@austinenergy.com or delivered to 721 Barton Springs Road before 12 noon on September 19. Hardcopies are the responsibility of the presenters. For more information, see the “Alignment and Process for Citizen Panels” document at http://www.ci.austin.tx.us/cityclerk/boards_commissions/meetings/27_1.htm)*
24. Presentation by Independent Residential Rate Advisor
25. Discussion and Q&A regarding Residential Rate Recommendations and Rate Options and discussion of the Decision Point List
26. Presentation by Austin Energy regarding Austin Energy’s Revenue Requirements
27. Discussion and Q&A regarding Revenue Requirements and review of the Decision Point List
28. Discussion of upcoming meetings and processes, including Citizen Panels and information requests from Commissioners
29. Adjourn



ELECTRIC UTILITY COMMISSION REGULAR MEETING MINUTES AUGUST 15, 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, Steve Taylor, and Dr. Michael E. Webber.
Staff in attendance: Larry Weis, Cheryl Mele, Elaine Hart, J.J. Gutierrez, Jackie Sargent, Jeff Vice, Steve Leinweber, Jamie Mitchell, David Kutach, Rusty Maenius, Michael Osborne, Marnie Cervenka, Adrienne Brandt, Pat Alba, Fred Yebra, Lisa Tamez, Kerri Davis, Pat Sweeney, Drusilla Saenz, Chris Smith, Steve Machicek, and Christopher Frye of Austin Energy; and Rosemary Ledesma of the Purchasing Department.
2. **APPROVAL OF MINUTES** - Approve minutes of the July 18, 2011 regular meeting. **Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Smaha, passed on a vote of 7-0.**
3. **CITIZEN COMMUNICATIONS** – Ashley Bailey representing CCARE spoke on Item 27 regarding the development of policy guidelines for the redesign of electric rates.

NEW BUSINESS – CONSENT ITEMS

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. **Motion to approve by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 7-0.**
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. **Motion to approve by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 7-0.**
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. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
8. Issue energy efficiency rebate to Round Rock ISD – Westwood High School (\$73,452). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
9. Issue energy efficiency rebate to Data Foundry (Texas 1) (\$61,181). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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. **The Commission requested this item be pulled from the agenda pending additional details.**

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. **The Commission requested this item be pulled from the agenda pending additional details.**
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). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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). **Motion to approve by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 7-0.**
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). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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. **Motion to approve by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 7-0.**

20. Execute a contract through the TEXAS MULTIPLE AWARD SCHEDULE (TXMAS) cooperative purchasing program with JOHNSON CONTROLS, 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). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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). **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 7-0.**
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). **Motion to approve by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 7-0.**

STAFF REPORTS AND BRIEFINGS

23. Deferred Payment Arrangements and Disconnections Report by J.J. Gutierrez, Vice President, Customer Care.
24. Monthly Financial Report by Steve Machicek, Corporate Accounting and Rates
25. Presentation on and Approval of Austin Energy's Budget for FY2012. Presentation by Elaine Hart, Chief Operating Officer. **Motion by Chair Schmandt to recommend approval of Austin Energy's Proposed FY 2012 Budget subject to eliminating Austin Energy's funding of the Economic Growth & Redevelopment Services Office (EGRSO) and applying those funds to restore Austin Energy's energy efficiency programs to last year's levels and applying the remainder to Austin Energy's Repair and Replacement Fund. Seconded by Commissioner Smaha. Passed on a vote of 7-0.** The Commission will send a related resolution to Council conveying this recommendation.
26. Discussion of Austin Energy's Annual Performance Report. Presentation by Cheryl Mele, Chief Operating Officer. Chair Schmandt suggested that benchmarking of commercial and industrial bills be included in future reports. He also requested that suggestions submitted by CCARE be addressed at the September 19 meeting. The Commission welcomed public comments regarding the report. Carol Biedrzycki of Texas ROSE offered suggestions, including that the number of customers receiving assistance be reported.
27. Update on Austin Energy's rate redesign, with opportunity for citizen communications regarding Recommended Policy Guidelines – Presentation by Larry Weis, General Manager, and Mark Dreyfus, Director, Government Relations & Regulatory Affairs. Staff will make a final recommendation at the October 17, 2011 EUC meeting. In addition to the dates included on Slide 8 of the presentation, the Commission suggested the following additional deadlines and actions: September 12 – Deadline to submit questions or comments on residential rates; September 19 (EUC meeting) – Staff responds to questions and comments, public input; September 26 – Deadline on submitting comments and questions on commercial and industrial rates; October 3 (special-called meeting) – Staff responds, public input. The Commission agreed to a 5:00 p.m. start time for their meetings on September 19 and October 17 to conduct regular business prior to the Rate Review

discussion, which will begin at 6:00 p.m. The Commission welcomed public comments on this item. Lanetta Cooper of the Texas Legal Service Center, Carol Biedrzycki of Texas ROSE, and Tom “Smitty” Smith of Public Citizen distributed handouts and made suggestions.

28. Briefing on plans to execute additional long-term wind power purchase agreement – by Michael Osborne, Special Assistant to the General Manager. Mr. Osborne briefed the Commission on a proposed third PPA for approximately 200 MW of wind energy. Austin Energy will request that the EUC recommend approval of the contract at their September 19 meeting.

FUTURE AGENDA ITEMS

29. Request agenda items including information related to the Upcoming Procurements Report – No requests.
30. Announce special-called EUC meeting to be held September 1, 2011, 6:00 p.m., at Town Lake Center, 721 Barton Springs Road, to receive Rate Analysis and Recommendations Report.
31. **ADJOURN** – Chair Schmandt adjourned the meeting at 9:32 p.m. without objection.



ELECTRIC UTILITY COMMISSION SPECIAL-CALLED MEETING MINUTES SEPTEMBER 1, 2011

The Electric Utility Commission (EUC) convened in a special-called meeting to review and discuss Austin Energy's "Rate Analysis and Recommendations Report" 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, Barbara Day, Shudde Fath, Stephen Smaha, and Dr. Michael E. Webber.
Staff in attendance: Larry Weis, Elaine Hart, Ann Little, Mark Dreyfus, Rusty Maenius, Alicia Loving, Bob Dailey, Chris Smith, Beverly Bonevac, Kerry Overton, Jeff Vice, Steve Machicek, Beatriz Betancourt, Ed Jenkins, Kerri Davis, Peggy Miller, Colleen Gardner, and Glenn Moore of Austin Energy; and Shannon Halley of Council Member Tovo's office.

Chair Schmandt welcomed new Commissioner Barbara Day.

2. Introduction and presentation of Austin Energy's Rate Analysis and Recommendations Report – Presentation by Larry Weis, General Manager; Elaine Hart, Chief Financial Officer, Mark Dreyfus, Director, Regulatory & Government Affairs; and Ann Little, Vice President, Finance & Corporate Services.
3. Presentation by Bob Wittmeyer, Independent Residential Rate Advisor, regarding Austin Energy's Rate Analysis and Recommendations Report.

Following Mr Wittmeyer's presentation, the Commission called for a five-minute recess. The meeting reconvened at 7:35 p.m.

4. Citizen Communications – The following persons spoke regarding electric rate redesign and Austin Energy's Rate Analysis and Recommendations Report: Paul Robbins, Environmental Activist; Kathy Stark, Austin Tenants Council; Andy McFarlane, Data Foundry; Carol Biedrzycki, Texas ROSE; Rob Walker; Peter Beck, Austin Sierra Club; Ruby Roa, Ladies of Charity; Craig Nazor, Austin Sierra Club; Lanetta Cooper, Texas Legal Service Center; Karen Hadden, SEED Coalition; Tom "Smitty" Smith, Public Citizen; Steve Beers; and Trevor Lovell, Solar Austin.
5. Commissioners discussed and asked questions of Austin Energy staff regarding the Rate Analysis and Recommendations Report.
6. Commissioners discussed and asked questions of Bob Wittmeyer, the Independent Residential Rate Advisor, regarding his presentation.
7. Due to the limited time remaining, Commissioners deferred discussion of the Decision Point List to future meetings.
8. Commissioners discussed upcoming meetings and processes, including formal citizen participation and information requests from Commissioners. The Commission named a Working Group composed of Chair Schmandt and Commissioners Smaha and Day to organize Citizen Panels and the Process by which these Panels would provide input on rate redesign. Persons interested in serving on a Citizen Panel were urged to contact Austin Energy by emailing ratereview@austinenenergy.com on or before Wednesday, September 7.
9. Adjourn – Chair Schmandt adjourned the meeting at 9:59 p.m. without objection.

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Recommendation for Council Action				
Austin City Council	Item ID	9753	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	9/22/2011		Department:	Austin Energy
Subject				
<p>Authorize execution of a power purchase agreement with Iberdrola Renewables, Inc., for a term of up to twenty-five years for up to 200 megawatts of wind-generated electricity in an estimated amount of \$29,000,000 per year, for a total estimated contract amount of \$725,000,000.</p>				
Amount and Source of Funding				
<p>Funding will be provided through the electric fuel charge revenue or future Green Choice revenue.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:				
Prior Council Action:	September 12, 2011 - Approved authorization for City Manager to proceed with this request for approval of contract.			
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 September 19, 2011 and Resource Management Commission on September 20, 2011.			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>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.</p> <p>This contract will provide for the purchase of the full output of an approximately 200-megawatt wind power project to be constructed by Iberdrola Renewables, Inc. in Kenedy County near the small town of Sarita, Texas. The new wind project is expected to come online by the end of 2012 and will comprise approximately 84 wind turbines.</p> <p>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</p>				

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 three evaluated proposals.
- b. The recommended awardee meets the requirements of the Request for Proposal.

DRAFT


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Recommendation for Council Action				
Austin City Council	Item ID	9754	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	10/6/2011		Department:	Austin Energy
Subject				
Approve issuance of a rebate to Dell Computers, Inc. for the installation of energy efficient equipment in an amount not to exceed \$122,403.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2011-2012 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 482-5305; Scott Jarman, Engineering Supervisor 482-5307.			
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on September 19, 2011 and by the Resource Management Commission on September 20, 2011.			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>Austin Energy requests authorization to issue a rebate to Dell Computers, Inc. in the amount of \$122,402.63 for Server Virtualization in accordance with the City of Austin's Commercial Rebate Program, Data Center Efficiency guidelines.</p> <p>Server virtualization is the partitioning of a physical server into smaller virtual servers. In server virtualization the resources of the server itself are hidden, or masked, from users, and software is used to divide the physical server into multiple virtual environments, called virtual or private servers.</p> <p>Server virtualization has several benefits. For example, it lets each virtual server run its own operating system and each virtual server can also be independently rebooted of one another. Server virtualization also reduces costs. It requires less hardware, less maintenance and it reduces the air conditioning load.</p> <p>On this project, Dell Computers is removing 550 servers reducing their 601 baseline servers down to 51 "virtual" servers resulting in substantial kilowatt and kilowatt hour savings.</p>				

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.

Dell Computers, Inc. is located at 1404 Park Center Drive in Austin, Texas. The demand (kW) savings associated with the high efficiency equipment installed in this project is estimated at 284.9 kW, at a program cost of \$429.61 per kilowatt saved. The avoided kWh, estimated at 2,495,856 kWh per year, represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 1,498.7 metric tons of Carbon Dioxide (CO₂), .945 metric tons of Sulfur Dioxide (SO₂), and 1.045 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 3,364,870 vehicle miles traveled, the removal of 287.1 cars from our roadways, or the planting of 38,502 trees or 1,925 acres of forest in Austin's parks.

DRAFT

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Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	9721	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	October 6, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a 36-month requirements supply contract with HANSON PIPE & PRECAST INC., Austin, TX for the purchase of concrete pullboxes and manhole covers and rings for Austin Energy in an estimated amount not to exceed \$93,675, with three 12-month extension options in an estimated amount not to exceed \$31,225 per extension option, for a total estimated contract amount not to exceed \$187,350.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$31,225 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining 24 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:	Sole bid received.			
Prior Council Action:				
For More Information:	Gabriel Guerrero, Buyer II/322-6060			
Boards and Commission Action:	To be reviewed by the Electric Utility Commission on September 19, 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 solicitation.			
Related Items:				
Additional Backup Information				
<p>This contract will provide for the supply of seven types of concrete pullboxes and manhole covers and rings. These items are needed to replenish stock at Austin Energy's Kramer Lane and St. Elmo warehouses for issue to Electric Service Delivery crews. The concrete pullboxes and manhole covers and rings are installed by Austin Energy crews on downtown streets to cover and protect the secondary and primary Underground Distribution Cable (URD), the underground network system serving downtown businesses. The pullboxes are used to actually pull the cable for safe and easier access by crews.</p>				

MBE/WBE Solicited: 1/0

MBE/WBE Bid: 0/0

BID TABULATION

IFB No. GGU0094

Concrete Pullboxes, Manhole Covers and Rings
(7 line items)**VENDOR****Total Annual Bid****Hanson Pipe & Precast Inc.
Austin, TX****\$31,225**





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

PRICE ANALYSIS

- a. Sole bid. Bid closing date was extended in an effort to secure more bids without success.
- b. Twenty five notices were sent including one MBE. There are no known WBEs available for this commodity code. One bid was received, with no response from the MBE.
- c. The pricing offered represents a 17.8% increase from the last contract award June 2009. The increase is due to increases in transportation/delivery costs.

APPROVAL JUSTIFICATION

- a. Sole bid received. Hanson Pipe & Precast Inc. is not the current provider of these items.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> <div style="display: flex; justify-content: space-around;">     </div>				
Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	9720	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	October 6, 2011			
Department:	Purchasing			
Subject				
Authorize award and execution of contract with POWER SUPPLY, Austin, TX, for the purchase of station post insulators for Austin Energy in an amount not to exceed \$72,292.				
Amount and Source of Funding				
Funding is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:	Lowest bid of seven 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 September 19, 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 is for the one-time purchase of station post insulators for Austin Energy (AE). Station post insulators are used to isolate the substation bus from the bus supports to prevent leakage current from flowing through the structure or to the ground. The “bus” is the main power carrying component in a substation and is a four inch diameter aluminum pipe. The substation bus is connected to switches and these switches are then connected to the major substation components including circuit breakers, transformers, and transmission lines.</p> <p>The station post insulators to be purchased are for use at three AE substations. Eighty-three are for a capital</p>				

improvement project to increase the capacity of the McNeil Substation. The remaining are for the construction of new substations; 90 for the new Stoney Ridge Substation and 43 for the new Webberville Solar Substation.

MBE/WBE solicited: 2/1

MBE/WBE bid: 0/0

BID TABULATION

IFB No. GAL0023* Station Post Insulators (3 – line items)

<u>Vendor</u>	<u>Item # 1</u>	<u>Item # 2</u>	<u>Item # 3</u>
Power Supply Austin, TX	\$50,643.00	\$22,508.00	\$72,792.00
KBS Electrical Distributors, Inc. Austin, TX	\$41,616.00	\$22,596.40	\$73,124.64
Stuart C. Irby Co. Austin, TX	\$43,118.97	\$22,951.36	\$74,275.92
Priester-Mell & Nicholson Austin, TX	\$41,769.00	\$21,488.00*	\$79,272.00
Texas Electric Cooperatives Georgetown, TX	\$43,229.00	\$22,440.00	\$82,080.00
Apfelbaum Industrial, Inc. Waco, TX	\$66,766.14	\$26,695.44	\$84,797.28
Techline, Inc. Austin, TX	\$42,891.00	**	\$90,331.20
Power Reps, Inc. Austin, TX	\$39,144.03*	No Bid	No Bid
Utilicor Stockdale, TX	***	No Bid	No Bid

* This solicitation will also result in two administrative awards. Line Item No. 1 will be awarded to Power Reps, Inc. in an amount not to exceed \$39,144.03. Line Item No. 2 will be awarded to Priester-Mell & Nicholson in an amount not to exceed \$21,488.00.

** Non-responsive: Techline, Inc.'s offer did not meet specifications as required by the Solicitation.





*** Non-responsive: Utilicor failed to supply a sample when requested by the City 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 notices were sent, including two MBEs and one WBE. Nine bids were received, with no response from the MBE/WBEs.
- The pricing offered represents a 1.7% decrease from the last purchase made in April 2009.

APPROVAL JUSTIFICATION

- Lowest bid received.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> <div style="display: flex; justify-content: space-around;">     </div>				
Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	9718	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	October 6, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a 12-month requirements supply contract with JAE GROUP, INC., Austin, TX for the purchase of substation surface rock for Austin Energy in an estimated amount not to exceed \$190,976, with four 12-month extension options in an estimated amount not to exceed \$190,976 per extension option, for a total estimated contract amount not to exceed \$954,880.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$190,976 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the 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:	Gage Loots, Buyer II/512-322-6118			
Prior Council Action:	To be reviewed by the Electric Utility Commission on September 19, 2011.			
For More Information:	Lowest bid of four bids received.			
Boards and Commission Action:				
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 is for the purchase of surface rock for Austin Energy (AE) substations as needed. Surface rock is crushed stone material used to cover the ground at substations. It provides a layer of insulation between the grounding system below and personnel working above. This layer reduces the amount of electric current that can flow between a person and the ground below, increasing safety for employees and contractors working in and around substations. The materials may be picked up at the contractor's facility or delivered, at AE's direction.</p>				
MBE/WBE solicited: 2/0		MBE/WBE bid: 0/0		

BID TABULATION

IFB No. GAL0019
 Substation Surface Rock
 (3 – line items)

<u>Vendor</u>	<u>Total Bid Amount – 12 months</u>
JAE Group, Inc. Austin, TX	\$190,976
Austin Crushed Stone Austin, TX	\$206,692
Superior Crushed Stone, LC Austin, TX	\$214,050
Community Trucking LLC Cedar Creek, TX	\$232,182

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.
- Forty-one notices were sent, including two MBEs. There are no known WBEs for this commodity code. Four bids were received, with no response from the MBEs.
- The pricing offered represents an 8.7% decrease from the last contract award made in July 2006.

APPROVAL JUSTIFICATION

- Lowest bid received. JAE Group, Inc. is not the current provider of these goods; however, JAE Group, Inc. is a subsidiary of the current provider, JAE Construction, Inc.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

MBE/WBE SUBCONTRACTOR PARTICIPATION SUMMARY

Although no goals were established for this solicitation, JAE Group, Inc. identified the following subcontracting opportunities:

<u>NON M/WBE TOTAL - PRIME</u>	<u>\$93,776</u>	<u>49.00%</u>
JAE Group, Inc., Austin, TX	\$93,776	49.00%
<u>NON M/WBE TOTAL - SUBCONTRACTOR</u>	<u>\$97,200</u>	<u>51.00%</u>
() Texas Crushed Stone Co., Georgetown, TX (Sand/Gravel)	\$54,000	28.00%
() Tiki Trucking, LP, Lago Vista, TX (Delivery Services)	\$43,200	23.00%

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: EQUIPMENT DEPOT**

AGENDA DATE: 10/20/2011

SUBJECT: Authorize award and execution of a 12-month requirements supply contract with EQUIPMENT DEPOT, PFLUGERVILLE, TX for the lease of forklifts for Austin Energy in an estimated amount not to exceed \$177,240, with three 12-month extension options in an estimated amount not to exceed \$177,240 per extension option, for a total estimated contract amount not to exceed \$708,960.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$177,240 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining 36 months of the extension options is contingent upon available funding in future budgets.

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

PURCHASING: Sole bid received.

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 09/19/2011.

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 solicitation.

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

This contract will provide for the lease of 7 forklifts to be used at various locations within Austin Energy. These forklifts will be used in Austin Energy's warehouses as well as downtown vaults for lifting material into shelf locations off the ground and moving heavy equipment such as transformers and switchgear inside AE's downtown vaults. The lease will greatly reduce unit downtime as the contractor is responsible for all scheduled maintenance and for providing a replacement unit should any forklift be inoperable for more than three (3) days due to mechanical failure not attributed to operator misuse, increasing productivity. This lease is for three (3) forklifts currently on separate contracts plus four (4) new forklift requirements

MBE/WBE Solicited: 0/1

MBE/WBE Bid: 0/0

BID TABULATIONIFB No. GGU0093Forklifts
(7 each)

<u>VENDOR</u>	<u>2 each 10K Lb. Forklifts</u>	<u>5 each 16,5K Lb. Forklifts</u>	<u>Total Annual Bid</u>
Equipment Depot Pflugerville, TX	\$1,395/month	\$2,396/month	\$177,240





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

PRICE ANALYSIS

- a. Sole bid.
 - 1) Checked on current City of Austin Contract GC100000014 with Hertz Equipment Rental Corp. (US Communities No. 11624) but vendor could not supply the required forklifts that fit in confined spaces.
 - 2) Researched TXMAS contract for forklift lease, United Rentals submitted an open market quote but the forklifts were priced at least double that of Equipment Depot.
- b. Thirty six notices were sent including one WBE. There are no known MBEs available. One bid was received, with no response from the WBE.
- c. The pricing offered represents a 26% increase from the last contract award April 2008. The increase is due to transportation/delivery cost.

APPROVAL JUSTIFICATION

- a. Sole bid received. Equipment Depot is the current forklift provider
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.

<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> <div style="display: flex; justify-content: space-around;">     </div>				
Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	9719	Agenda Number	<ITEM_OUTLINE>
Meeting Date:	October 6, 2011			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a 12-month requirements service agreement with ENTECH SALES AND SERVICE, INC., Buda, TX to provide corrective chiller repair services for Austin Energy in an estimated amount not to exceed \$28,500, with four 12-month extension options in an estimated amount not to exceed \$28,500 per extension option, for a total estimated contract amount not to exceed \$142,500.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$28,500 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the 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:	Sole bid 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 September 19, 2011.			
MBE / WBE:	This contract will be awarded in compliance with Chapter 2-C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.			
Related Items:				
Additional Backup Information				
<p>This contract will provide Austin Energy (AE) with corrective chiller repair services, on an as-needed basis and including labor and materials, to support utility operations. Chillers cool or “chill” water for use in various types of industrial equipment. 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 will cover the chiller system at AE’s Static VAR Compensator (STATCOM), a critical element in the utility’s transmission system design that ensures reliable power delivery to customers.</p>				

AE personnel routinely perform preventative maintenance to chiller equipment, however, there are occasions that require more substantive corrective work by a contractor. This contract will provide an experienced company to supplement AE's operations, as needed, to ensure that the chiller system and in turn, the STATCOM, continue to operate optimally.

MBE/WBE solicited: 3/1

MBE/WBE bid: 0/0

BID TABULATION

IFB No. GAL0012

Corrective Repair Agreement for STATCOM Chiller System
(12 – line items)

<u>Vendor</u>	<u>Labor</u>	<u>Materials</u>	<u>Total Bid Amount – 12 months*</u>
Entech Sales and Service, Inc. Buda, TX	\$8,500.00	\$38,761.16	\$38,761.16

* This contract will be awarded in an annual estimated not-to-exceed amount of \$28,500 for labor and materials.

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

PRICE ANALYSIS

- Sole bid. This solicitation was extended twice for a total advertise period of 36 days in an attempt to get more proposals without success.
- One hundred sixty-five notices were sent, including three MBEs and one WBE. One bid was received, with no response from the MBE/WBEs.
- This is the first purchase of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- Sole bid received.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: CONCENTRA MEDICAL CENTERS

AGENDA DATE: 10/20/11

SUBJECT: Authorize award and execution of Amendment No. 2 to a contract with OCCUPATIONAL HEALTH CENTERS OF THE SOUTHWEST PA dba CONCENTRA MEDICAL CENTERS, Round Rock, TX, to provide a medical surveillance program for Austin Energy to exercise the second 12-month option in an estimated amount not to exceed \$45,598, and authorize the final 12-month extension option in an estimated amount not to exceed \$45,598, for a revised contract amount not to exceed \$182,392.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$41,798 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding for the remaining one month of the second option period and the extension option is contingent upon available funding in future budgets.

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

PURCHASING: Contract Amendment

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on 9/19/2011.

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

FOR MORE INFORMATION CONTACT: Karen Williams, Sr. Buyer (512) 322-6467

This Amendment is for a medical surveillance program required for approximately 300 Austin Energy personnel performing various activities that may involve gradient levels of contact with asbestos, lead, Polychlorinated Biphenyls (PCB's) and Cadmium, and/or excessive noise exposures. The Occupational Safety and Health Act (OSHA) of 1970 requires annual and periodic testing for employees who have this type of exposure. The U.S. Environmental Protection Agency (EPA) also requires employees who work in removing asbestos, to have a medical surveillance examination to monitor asbestos-related health problems and to ensure employees are wearing protective equipment while working.

This contract was competitively bid and awarded administratively in 2008 for a 12-month base period in the amount of \$45,598 with three extension options. Funding in the amount of \$45,598 for the exercise of the first extension option was added administratively. This recommended Council action is to approve Amendment No. 2 for \$45,598 for the second extension option and the authorization to enter into the final option period for \$45,598, for a final contract value of \$182,392.

Contract Summary

Action	Description	Amount
Original Contract awarded 09/15/2009	Original 12-month contract	\$45,598
Amendment No. 1	Exercise the first 12-month extension option	\$45,598
Proposed Amendment No. 2	Approve award of the remaining two 12-month extension options	\$91,196
Total Revised Contract Amount		\$182,392

DRAFT

CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION
VENDOR NAME: SUCCESSFACTORS (USA)

AGENDA DATE: 10/20/2011

SUBJECT: Authorize award, negotiation and execution of a 36-month requirements service contract with SUCCESSFACTORS (USA), San Mateo, CA for the purchase of an Application Service Provider (ASP) performance management hosted software subscription and software maintenance and support in an estimated amount not to exceed \$259,531 with two 12-month extension options in an estimated amount not to exceed \$259,531 per extension option, for a total estimated contract amount not to exceed \$778,593.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$259,531 is available in the proposed fiscal Year 2011-2012 Operating Budget for Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

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

FOR MORE INFORMATION CONTACT: Art Acuña, Senior Buyer/512-322-6307

BOARD AND COMMISSION ACTION: To be reviewed by the Electric Utility Commission on September 19, 2011

PURCHASING: Sole Source.

MBE/WBE: This purchase 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.

On June 26, 2007, Successfactor's was awarded a contract of three responses received via an RFP competitive process for an ASP hosted software subscription, implementation services, training including five years maintenance and support. The Software subscription provided selected data and automated tools necessary to analyze Austin Energy's (AE) capital workforce investment for the purpose of performing Secession Planning, Human Capital Costing, Organizational Structure Management, and Workforce Planning.

This contract is for a continued ASP hosted software subscription and software maintenance and support services for an additional three years. This system will provide selected data and automated tools necessary to analyze Austin Energy's (AE) capital workforce investment for the purpose of performing Succession planning, human capital costing, organizational structure management, and workforce planning. SuccessFactors affords AE an opportunity to provide a comprehensive package of several software subscriptions including Performance & Talent Management Solution; 360 Degree Review/Multi Rater; Total Goal Management Solution;

Career Development Planning Solution and Talent & Succession Management Solution. The contract/agreement will provide 1634 users licenses to utilize the Talent Management Solution.

AE, the City of Austin's electric utility, expects retirement of a large number of its skilled power distribution workforce within the next five years. Currently, AE lacks the tools, data, and processes to proactively plan for workforce changes. Over the past five years, AE has moved its performance management process from a manual process to an automated process using SuccessFactors Talent Management System and the current information in the system is protected and confidential.

This contract is needed to ensure that AE doesn't lose the gains and investments made to date using the automated process. The current vendor solutions have been accepted and user adoption is improving. The software is proprietary and is not available from another source.

DRAFT

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 10/06/11

VENDOR NAME: State of Texas Department of Information Resources

SUBJECT: Authorize award and execution of various supply and service contracts during the Fiscal Year 2011-2012 through the **STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR)** cooperative purchasing program, Austin, TX, for the purchase of computer, telephone, and network hardware, and the related maintenance services in an estimated amount not to exceed \$27,643,524.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$ 6,675,580 is available in the Fiscal Year 2011-2012 Operating Budgets of City departments. Funding in the amount of \$9,094,604 is available in the Fiscal Year 2011-2012 Capital Budgets of City departments. Funding in the amount of \$294,790 is available in the Grants Budgets of City departments. Funding in the amount of \$158,050 is available in the Municipal Court Technology Fund. Funding in the amount of \$240,000 is available in Austin Police Department Forfeiture Funds. Funding in the amount of \$2,028,500 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding in the amount of \$9,152,000 is available in the Fiscal Year 2011-2012 Capital Budget of Austin Energy.

FISCAL NOTE: Fiscal notes are required.

FOR MORE INFORMATION CONTACT: Mick Osborne, Sr. Buyer Specialist/974-2995

BOARD AND COMMISSION ACTION: To be reviewed by the Water and Wastewater Commission on September 14, 2011. To be reviewed by the Electric Utility Commission on September 19, 2011.

PURCHASING: Cooperative Purchase

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

This authorization is to enable City departments to purchase various computer, telephone, and network hardware products and maintenance services including but not limited to desktop PCs, laptop computers, servers, tablet computers, thin client terminals, data storage systems, storage area networks, and mobile computers and mounts through contracts solicited by the Department of Information Resources. This authorization will also include networking and telephony products, maintenance services for the City's Local and Wide Area Networks, telephone systems, and networking devices such as switches, routers, and other equipment used to interconnect desktop computers, servers, and printers throughout the City and to transmit and receive information via the internet.

Some of the significant planned purchases for 2011-2012 through this cooperative include:

- Replacement and new computers for enterprise departments, Public Works, and Transportation
- Mobile data computer replacements for Public Safety
- Tablets for departments using the City's permitting system
- Continuation of the City's telephony upgrade and other telephone equipment and maintenance
- Cisco Smartnet network maintenance
- Hardware maintenance for Communications and Technology Management and CTECC
- APD server replacements and a back-up solution for APD servers
- Additional hardware for data storage
- Additional hardware for the Digital Vehicular Video and Austin Regional Intelligence Center projects.
- Network/communication infrastructure hardware for Austin Energy
- Contractual hardware maintenance for Austin Energy

DIR has continued to provide additional products and services through its cooperative purchasing program at competitively bid prices. The purchasing power of the State of Texas is used to leverage purchasing effectiveness. Communications and Technology Management reviews and approves technology purchases for all General Fund and Support Services Departments. All technology requests will undergo technology review to ensure compliance with citywide standards and technology compatibility with existing systems.

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 10/06/2011

VENDOR NAME: State of Texas Department of Information Resources

SUBJECT: Authorize award and execution of various service contracts during the Fiscal Year 2011-2012 through the **STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES** cooperative purchasing program, Austin, TX, for the purchase of technology services in an estimated amount not to exceed \$13,668,486.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$4,689,000 is available in the Fiscal Year 2011-2012 Capital Budgets of City departments. Funding in the amount of \$1,740,813 is available in the Fiscal Year 2011-2012 Operating Budgets of City departments. Funding in the amount of \$536,673 is available in Grant Budgets of City departments. Funding in the amount of \$4,912,000 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding in the amount of \$1,790,000 is available in the Fiscal Year 2011-2012 Capital Budget of Austin Energy.

FISCAL NOTE: Fiscal notes are required.

FOR MORE INFORMATION CONTACT: Mick Osborne, Sr. Buyer Specialist/974-2995

BOARD AND COMMISSION ACTION: To be reviewed by the Water and Wastewater Commission on September 14, 2011. To be reviewed by the Electric Utility Commission on September 19, 2011.

PURCHASING: Cooperative Purchase

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

This authorization will provide the City with access to the State of Texas Department of Information Resources (DIR) contracts for technology consulting, technical training services, information resources technology services, technology staffing, and telecommunications services.

Some of the significant planned purchases for 2011-2012 through this cooperative agreement include:

- Networking and project integration services for the Digital Vehicular Video Project
- Maximo implementation services for Austin Bergstrom International Airport (ABIA), Public Works, the Watershed Protection Department and Public Safety
- Services for Austin Water Utility for the Hansen asset management system, Infor enterprise asset software used in water treatment, and Mobile Workforce applications for improving operational efficiency

- Business intelligence software services and eCapris Development services for the Budget Office
- Technical staffing for the AustinGo web redesign project
- Consulting, project management and staff augmentation for the Austin Regional Intelligence Center
- Consulting services for Information Technology Infrastructure Library (ITIL) for service management best practices and the Service Desk Express application for Communications and Technology Management
- Business continuity planning and consulting for ABIA
- Telecom and internet service provider services for ABIA
- Technical implementation services for Austin Energy
- Operations support services for Austin Energy
- Telephony services for Austin Energy

DIR has continued to provide additional products and services through its cooperative purchasing program at competitively bid prices. The purchasing power of the State of Texas is used to leverage purchasing effectiveness. Communications and Technology Management reviews and approves technology purchases for all General Fund and Support Services Departments. All technology requests will undergo technology review to ensure compliance with citywide standards and technology compatibility with existing systems.

**CITY OF AUSTIN – PURCHASING OFFICE
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA DATE: 10/06/2011

VENDOR NAME: State of Texas Department of Information Resources

SUBJECT: Authorize award and execution of various supply and service contracts during the Fiscal Year 2011-2012 through the **STATE OF TEXAS DEPARTMENT OF INFORMATION RESOURCES** cooperative purchasing program, Austin, TX, for the purchase of computer software and software maintenance and support in an estimated amount not to exceed \$13,613,472.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$605,950 is available in the Fiscal Year 2011-2012 Capital Budgets of City departments. Funding in the amount of \$3,352,064 is available in the Fiscal Year 2011-2012 Operating Budgets of City departments. Funding in the amount of \$397,160 is available in Grant Budgets of City departments. Funding in the amount of \$17,298 is available in the 2011-2012 Municipal Court Technology Fund. Funding in the amount of \$200,000 is available from Austin Police Department Forfeiture Funds. Funding in the amount of \$6,151,000 is available in the Fiscal Year 2011-2012 Operating Budget of Austin Energy. Funding in the amount of \$2,890,000 is available in the Fiscal Year 2011-2012 Capital Budget of Austin Energy.

FISCAL NOTE: Fiscal notes are required.

FOR MORE INFORMATION CONTACT: Mick Osborne, Sr. Buyer Specialist/974-2995

BOARD AND COMMISSION ACTION: To be reviewed by the Water and Wastewater Commission on September 14, 2011. To be reviewed by the Electric Utility Commission on September 19, 2011.

PURCHASING: Cooperative Purchase

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

This authorization will provide the City with access to the State of Texas Department of Information Resources (DIR) contracts for software and software maintenance and support.

Some of the significant planned purchases for 2011-2012 through this cooperative agreement include:

- Software licenses and maintenance for Austin Water Utility applications
- Software licenses and support for the Maximo Work-Order Management System for several departments

- Software maintenance for Communications and Technology Management including Service Desk Express, Go To My PC, Solar Winds Orion, Nightwatchman Power Saving, and Prologics software for chillers
- Software for the Austin Police Department including an Extract, Transform, and Load tool for manipulating data for reporting purposes and statistical analysis software for the Austin Regional Intelligence Center, ballistics software, an Internal Affairs Division database, and software for an electronic crash (traffic collision) project
- Virtual Machine Ware (VMWare) licenses for efficient and effective hardware resource allocation on server equipment
- Maintenance for City Hall control system software
- A new cart location tracking software for Solid Waste Services.
- Storage area network software for Austin Energy
- Meter data management software for Austin Energy
- Contractual software maintenance for Austin Energy

DIR has continued to provide additional products and services through its cooperative purchasing program at competitively bid discounted prices. The purchasing power of the State of Texas is used to leverage purchasing effectiveness. Communications and Technology Management reviews and approves technology purchases for all General Fund and Support Services Departments. All technology requests will undergo technology review to ensure compliance with citywide standards and technology compatibility with existing systems.

RESOLUTION NO. 20110804-027

WHEREAS, the City of Austin is a national leader in renewable energy; and

WHEREAS, in the 82nd regular session the State of Texas passed SB981, legislation related to regulation of distributed renewable generation of electricity;

WHEREAS, solar power currently accounts for approximately 5 MW of generation capacity in Austin, and the City has contracted to purchase 30 MW of power from a project at Webberville; and

WHEREAS, in February 2011, the City Council adopted the Resource, Generation and Climate Protection Plan (Generation Plan); and

WHEREAS, the Generation Plan includes a goal of reaching 200 MW of solar energy by 2020, while meeting certain constraints such as resource cost and affordability for customers; and

WHEREAS, the City has a solar rebate program to help diversify electric generation with clean, renewable energy and help develop the clean energy industry in Austin; and

WHEREAS, the City made changes in January 2010 to the solar rebate program which created a new commercial and multifamily production-based incentive program to tie it to energy production and more closely track actual market conditions; and

WHEREAS, the shift from an upfront rebate to a production-based incentive has created difficulties for nonprofits, which are generally unable to make use of federal tax credits for renewable energy systems; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council directs the City Manager and General Manager of Austin Energy to report back on the current strategy to reach the stated goal of 200 MW of solar generation by 2020. The report should address possible solar generation projects including, but not limited to:

- current and potential plant-scale projects, including the potential for local manufacturing facilities,
- rooftop solar for large commercial developments and residential homes,
- the potential for the utility's leasing of private rooftop space for solar installations,
- the potential for community solar projects, including any legal restrictions,
- possible changes to the land development code that could promote solar installations, and
- the new state legislation and whether it could allow new options in Austin's service area.

The Austin Energy General Manager shall seek feedback and input from the Resource Management Commission and the Electric Utility Commission before reporting back to Council within 90 days on the long-term plans to reach the overall goal of 200 MW of solar generation.

BE IT FURTHER RESOLVED:

The City Manager and Austin Energy General Manager shall do an interim report to Council with items related to the FY2012 budget, with details about the solar rebate program including, but not limited to:

- how Austin Energy has adjusted the rebate amount and structure to meet market conditions for the past several years,
- the current policy/procedure for regular review of rebate amounts,
- review and possible adjustment of maximum system size; and
- whether nonprofits should have a separate solar rebate customer category.


The interim report shall be submitted within 30 days.

ADOPTED: _____, 2011 **ATTEST:** _____

Shirley A. Gentry
City Clerk



MEMORANDUM

TO: Mayor and City Council Members
CC: Marc A. Ott, City Manager
FROM: Larry Weis, General Manager 
DATE: September 6, 2011
SUBJECT: Interim Report to Council on Austin Energy's Solar Rebate Program

City Council Resolution 20110804-027, approved on August 4, 2011, directed the City Manager and the Austin Energy General Manager to provide, within 30 days of adoption of the Resolution, an interim report addressing the Austin Energy Solar Rebate program. This memorandum provides responses to the four specific requests in the Resolution.

How has Austin Energy adjusted the solar rebate amount and structure to meet market conditions over the past several years?

Council approved a strategic plan for Austin Energy in 2003 that included a commitment to solar energy as a key component of the utility's resource plan. Austin Energy established its Solar Rebate Program in 2004 under that strategic plan and with the following goals in mind:

- The Program and incentives should ultimately lead to a self-sustaining rooftop/small scale solar energy market in Austin.
- The Program should provide financial incentives that are economically efficient, i.e., incentives that prompt customers to make solar energy investments they would not otherwise make, without being excessive.

During the first six years, while the solar market was emerging in Austin, the Program offered capacity rebates (rebates denominated in dollars per installed watt of generating capacity) to all residential and commercial solar customers. Capacity rebates are appropriate when the greatest hurdle to private investment is initial investment costs. Capacity rebates remain the optimal rebate design for the residential sector.

Commercial customers have gained greater understanding of the operational and reputational benefits of solar systems and the federal government has funded additional tax-based incentives of particular value to commercial entities. In 2010, Austin Energy converted its capacity rebate incentive for commercial customers to a Performance-Based Incentive (PBI). Under this approach, Austin Energy provides energy based incentives (rebates denominated in cents per kilowatt hour of solar energy produced) to commercial customers. PBI payments are made quarterly for the first ten years of energy production. The PBI approach reduces first-year rebate outlays and better aligns the interests and financial realities for both customers and Austin Energy. Simply put, since solar systems

generate electricity for many years, an incentive matched to production over a period of years is more appropriate where it is effective in inducing customer investment.

Austin Energy has been extremely successful in managing the Solar Rebate Program. The Program has led to more than 1,000 residential and commercial systems, many in highly visible locations. Installed local capacity is now at approximately 5,000 kilowatts. The number of solar installer businesses has increased over the lifetime of the Program from 4 to 33.

The table below sets out some additional key indicators for the Solar Rebate Program. The data shows a progressive reduction in rebate level, corresponding to and helping to drive reductions in solar system costs. Over the life of the Program, Austin Energy has also reduced the fraction of its contribution to solar system cost, and as a result, obtaining more solar capacity in installations per budget dollar expended.

Solar Rebate Historical Statistics								6-Sep-11
Fiscal Year	Nominal Rebate Rate (\$/kW-Rebate)	Average Installed Cost (\$/kW-DC)	Average Rebate Amount (\$/kW-Rebate)	Rebate vs. Total Installed Cost (%)	Annual Budget (\$)	Annual Goal (kW-Rebate)	Annual Expenditure (\$)	Number of Registered Contractors
FY04	\$5,000	\$ 6,526	\$ 4,962	72%	\$ 923,000	185	\$ 426,180	4
FY05	\$4,500	\$ 6,467	\$ 4,961	72%	\$ 3,500,000	770	\$ 3,395,216	9
FY06	\$4,000 - \$4,500	\$ 6,597	\$ 4,296	61%	\$ 3,200,000	700	\$ 2,796,354	14
FY07	\$4,500	\$ 7,096	\$ 4,493	60%	\$ 3,180,000	620	\$ 2,561,892	19
FY08	\$4500	\$ 7,322	\$ 4,286	56%	\$ 4,000,000	900	\$ 4,198,494	23
FY09	\$4,500 - \$3,750	\$ 6,868	\$ 4,273	59%	\$ 4,500,000	900	\$ 6,710,009	28
FY10	\$2,500	\$ 5,617	\$ 3,284	56%	\$ 4,350,000	1,530	\$ 3,910,771	33
FY11 - YTD	\$2,500 - \$3,000	\$ 4,739	\$ 2,762	56%	\$ 4,000,000	1,315	\$ 1,078,930	33
Note: Average Installed Cost and Average Rebate are for Residential Systems Only								

What is the current policy and procedure for regular review of rebate levels?

Austin Energy tracks a number of factors on an ongoing basis that impact local solar market conditions in order to reach a judgment about economically efficient solar rebate levels. Factors impacting Austin's emerging solar market are local, regional, national, and even international, and include:

- Local and regional solar installer workloads
- Availability of skilled workforce
- Local and regional economic conditions
- Local customer awareness
- Other local incentives, e.g. from Pecan Street Project grants or the City of Sunset Valley
- Utility incentive programs in Texas, especially central Texas
- Regulatory and legislative policy in Texas
- National solar module prices
- National solar incentive levels and status of programs
- National tax policy and incentives relating to solar energy
- International solar incentive programs (which impact global solar module prices)

In combination, these factors impact customer demand for rebates and incentives. For example, when prices for modules drop quickly, customer demand for rebates can grow quickly. If such a trend is long-term in nature, adjustment to incentive levels may be warranted. In fact, recent reductions in installed solar costs as well as the availability of substantial federal tax incentives have been drivers of both of the last two downward adjustments in Austin Energy rebates.

Austin Energy provides Solar Program reports to the Resource Management Commission (RMC) on a monthly basis, and monthly budget updates to the Electric Utility Commission (EUC) as well. Commissioners frequently provide Austin Energy with additional market insights relating to market conditions and customer demand, as well as valuable historical perspectives.

Austin Energy convenes mandatory monthly meetings with registered solar installer company representatives and maintains continuous contact with solar installers throughout the community. These meetings provide invaluable “ground truthing” for Solar Program managers.

Internally, Austin Energy continually reviews the state of the art in solar rebate and incentive programs to stay abreast of innovations and opportunities for program improvements.

Austin Energy is authorized under Council Resolution to set rebate and incentive levels for the Solar Program. When conditions indicate that a change to rebate levels or incentive structures is appropriate, Austin Energy develops a comprehensive proposal. Austin Energy senior management reviews staff proposals for the impact such changes may have on rebate budgets, program targets, and local market stability, as well as contribution to strategic goals. In general, Austin Energy prefers to implement changes on an annual basis and only after reasonable notice to stakeholders, especially contractors. The preferred course includes briefings to the RMC and the EUC in advance of changes to rebate levels. In unusual cases, Austin Energy has deviated from the preferred course where necessary to preserve program integrity and prevent unbudgeted obligation of funds.

What is the current policy and procedure for review and possible adjustment of maximum solar system size?

Austin Energy reviews maximum solar system size on an ongoing basis, and in conjunction with review of rebate levels as described above.

Austin Energy sets the allowed maximum solar size that qualifies for rebates or incentives based on a number of factors, largely as a function of budget, rebate level, and market installed costs for solar systems. Larger system sizes consume larger rebates per customer, and in a fixed budget environment, potentially reduce the number of systems receiving incentives. On the other hand, per-unit system costs decline with system size, allowing for more kilowatts per incentive dollar expended.

Today, residential solar rebates are available for systems up to 6 kW in size, per year. Austin Energy allows a maximum lifetime residential rebate of \$50,000 per customer, meaning that customers may install more than 6 kW in solar over the course of more than one year.

Austin Energy's commercial PBI is today capped at 20 kW, derived from the maximum size for which "net metering" is allowed under the current Distributed Generation Tariff. Based on recent market trends, Austin Energy is currently reviewing an increase in the commercial system size up to 200 kW. Austin Energy expects to make a decision on any changes in early FY 2011-2012.

Should not-for-profit organizations have a separate solar rebate customer category?

Austin Energy allows not-for-profit organizations and businesses to apply for rebates under both the residential and commercial incentive programs (depending on the nature of the not-for-profit customer account). At this time, Austin Energy does not support a separate solar rebate customer category for not-for-profit entities on the basis of economic efficiency. That is, while the purposes served by not-for-profit organizations are often quite meritorious in their own right, the added budget impact of putting solar rebate and incentive levels for these customers on an equal footing with tax-paying customers outweighs other benefits at this early stage of solar market development.

When Austin Energy shifted to the PBI mechanism for commercial customers, the utility convened a focused stakeholder group to explore additional or different incentive schemes for not-for-profits. The driver for this review was the fact that much of the economic value associated with solar installations for commercial entities are associated with federal tax incentives, and not-for-profit organizations cannot take advantage of those incentives.

Austin Energy reviewed several alternative approaches. Austin Energy and stakeholders agreed that since income to not-for-profit organizations is also tax-free, these organizations can also take advantage of grants and donations from taxed individuals and organizations that would, in turn, enjoy a tax deduction.

Austin Energy carefully reviewed third party leasing structures—where a separate for-profit organization installed a system on the roof of a not-for-profit in return for periodic lease payments, similar to an equipment lease. This configuration allows the system host to indirectly monetize the federal tax benefits. Unfortunately, the leasing market is rather immature, and third-party leasing companies have not yet been able to offer a leasing structure that does not, in effect, create a situation where the lease provider effectively acts as a private utility within Austin Energy's exclusive service territory. Recent State legislation on the topic specifically does not apply to Austin Energy, and therefore did not resolve this fatal flaw problem.

Austin Energy has been working with one not-for-profit to develop a model lease structure where Austin Energy will install a solar system on the not-for-profit's roof and pay a lease payment of the roof space. Austin Energy hopes to move to installation with this system within the next six months. Another model under consideration is a roof lease model where Austin Energy would make the roof lease payment by delivering a portion of the energy generated by to solar system to the customers. These models could greatly expand the base of potential sites for Austin Energy solar systems.

Austin Energy continues to interact with not-for-profit stakeholders on other ideas, including enhanced rebate structures, discounted module resale, and others.

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



Unaudited Results

\$ in Thousands

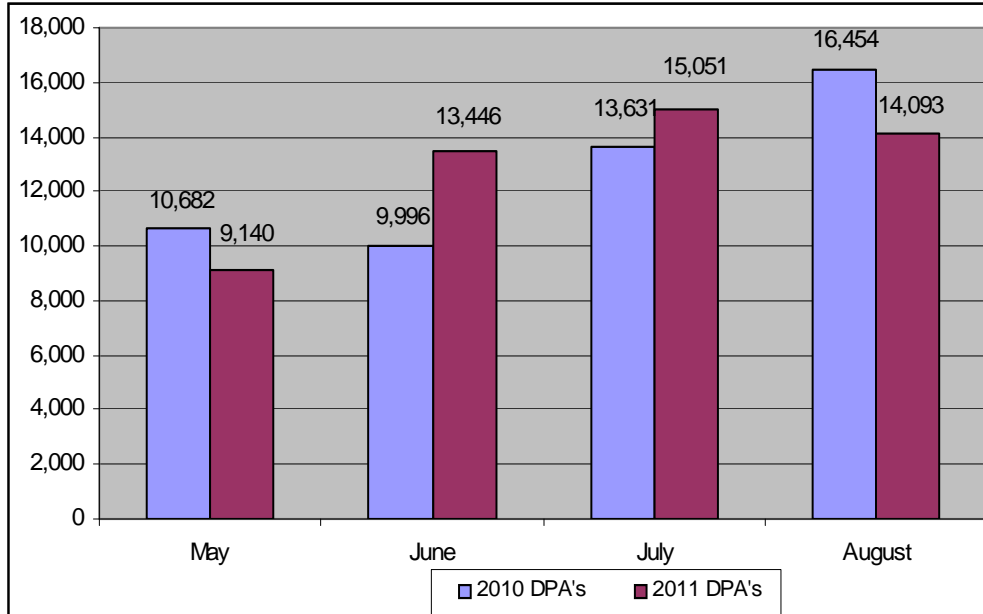
	July 2011 Year to Date Actual	July 2011 Year to Date Budget	Variance	Percent
<u>REVENUES</u>				
Service Area Base Revenue	\$ 499,083	\$ 475,823	\$ 23,260	4.9%
Bilateral & Ancillary Service Sales	13,746	18,750	(5,004)	-26.7%
Transmission Service Revenue	49,915	46,904	3,011	6.4%
Transmission Rider	7,603	6,020	1,583	26.3%
Miscellaneous Revenue	30,257	28,856	1,401	4.9%
Interest Income	5,882	4,639	1,243	26.8%
Total Operating Revenue Without Fuel Revenue	606,486	580,992	25,494	4.4%
Fuel Revenue	327,059	366,679	(39,620)	-10.8%
Green Choice Revenue	24,736	22,794	1,942	8.5%
Fuel Revenue	351,795	389,473	(37,678)	-9.7%
Total Operating Revenue	958,281	970,465	(12,184)	-1.3%
<u>OPERATING REQUIREMENTS</u>				
Fuel and Green Power Expense	351,795	389,473	37,678	9.7%
<u>Department O&M Without Fuel</u>				
Department O&M	158,085	168,961	10,876	6.4%
Transmission Service Expense	54,837	54,974	137	0.2%
South Texas Project O&M	53,789	48,676	(5,113)	-10.5%
Fayette Power Project O&M	25,057	23,568	(1,489)	-6.3%
Call Center	21,742	27,924	6,182	22.1%
Energy Conservation Rebates	9,350	12,409	3,059	24.7%
Bad Debt Expense	2,836	2,741	(95)	-3.5%
Administrative Support Transfer	15,190	15,190	0	0.0%
Total Operating O&M Without Fuel	340,886	354,443	13,557	3.8%
Total Operating Requirements	692,681	743,916	51,235	6.9%
<u>DEBT SERVICE REQUIREMENTS</u>				
Revenue Bond & Other Obligations	123,104	126,273	3,169	2.5%
Total Debt Service Requirements	123,104	126,273	3,169	2.5%
<u>TRANSFERS/USES OF COVERAGE</u>				
General Fund Transfer	103,000	103,000	0	0.0%
Electric CIP Transfer	61,679	61,679	0	0.0%
Economic Incentive Fund Transfer	632	632	0	0.0%
Total Transfers	165,311	165,311	0	0.0%
Total Requirements Without Encumbrances	981,096	1,035,500	54,404	5.3%
Total Encumbrances	14,512	14,512	0	0.0%
Total Requirements	995,608	1,050,012	54,404	5.2%
CHANGE TO BEGINNING BALANCE	\$ (37,327)	\$ (79,547)	\$ 42,220	53.1%



Monthly DPA and Disconnect Report August 2011

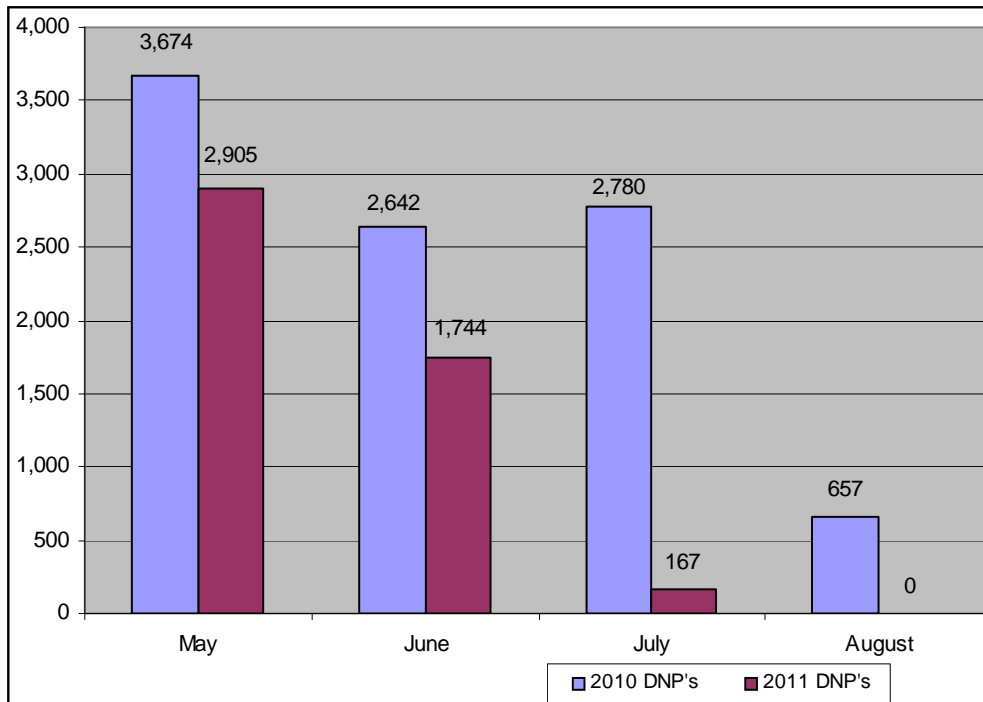
Deferred Payment Agreements

Month	2010 DPAs	2011 DPAs
May	10,682	9,140
June	9,996	13,446
July	13,631	15,051
August	16,454	14,093
Monthly Total	50,763	51,730



Residential Disconnections

Month	2010 Disconnects	2011 Disconnects
May	3,674	2,905
June	2,642	1,744
July	2,780	167
August	657	0
Monthly Total	9,753	4,816



Life Support Information For the month of August 2011, 201 customers were identified as Medically Vulnerable; that number was 99 in August 2010. 42 accounts received 24 hour notices and 0 accounts were disconnected (due to payment being received or payment arrangement being activated). 339 requests were received for Medically Vulnerable status in August 2011; 139 requests were received for Medically Vulnerable status in August 2010.



Summer Moratorium Information

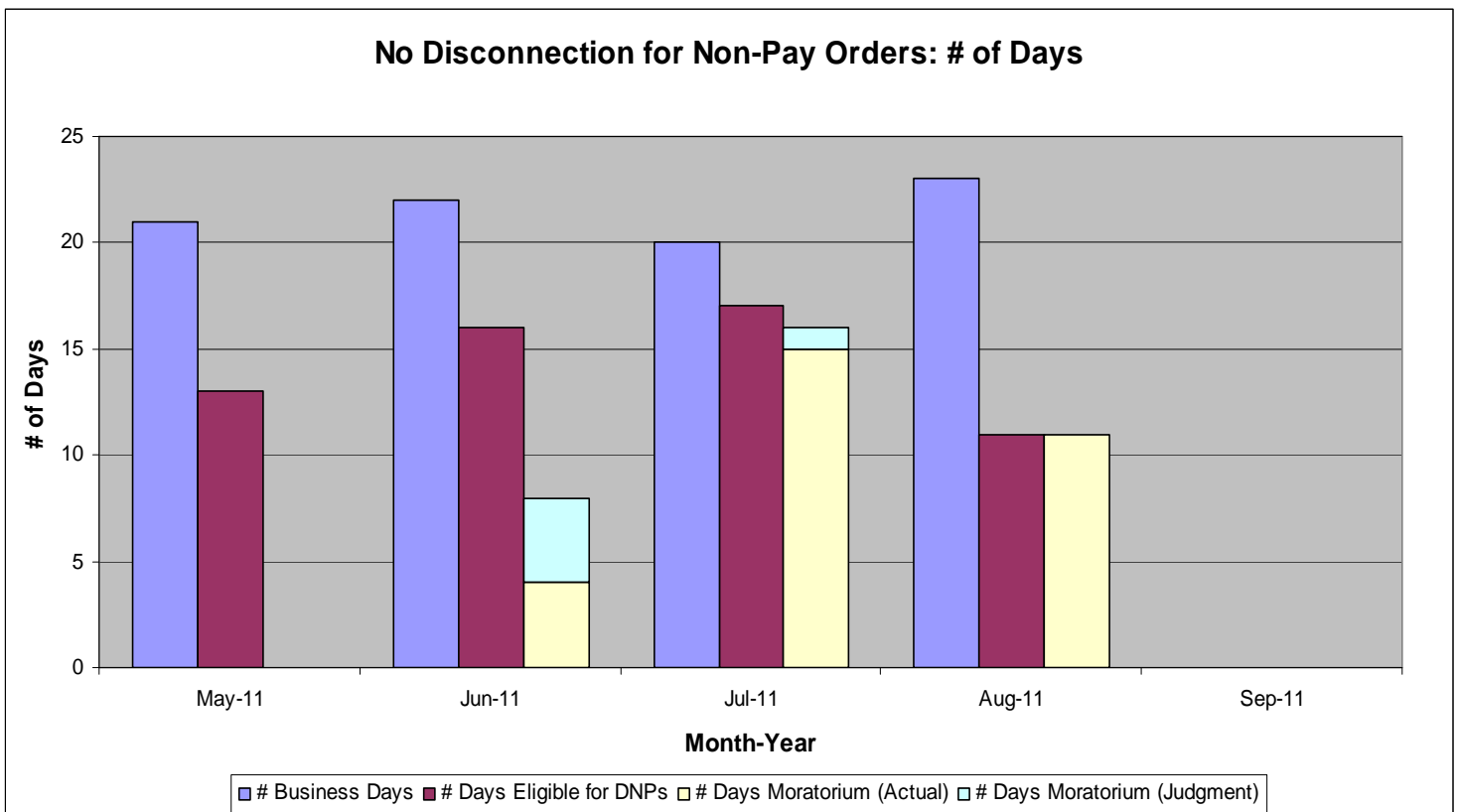
For the month of August 2011, Austin Energy has recorded a total of 23 business days eligible to create disconnect for non-payment (DNP) service orders. Austin Energy has implemented the summer weather moratorium on 11 days, and DNP's were not issued on due to the combination of actual plus forecasted 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
Aug-11***	23	11	11	0

*June had 8 days out of 16 that we did not DNP due to heat. AE disconnected 4 days in June.

**July 1st was the only day AE disconnected customers; all remaining days were heat moratorium.

***AE stopped delivery of Residential 24 hour notices on August 5th due to extreme heat. There are zero days in August for DNP.



UPCOMING PROCUREMENTS BY AUSTIN ENERGY - Purchasing Department Report • Electric Utility Commission • September 19, 2011

	PROJECT NAME	ESTIMATED AMOUNT	CUSTOMER	ESTIMATED COUNCIL	DESCRIPTION
1	Credit Information Database	100,000/yr	Customer Care	November	Online credit information database used to qualify new customers
2	Heavy Equipment Lease	\$450,000/yr	Electric Service Delivery/Finance	November	Master Agreement for the lease of heavy equipment such as aerial devices, digger derricks, service bodies and cranes
3	Appliance Replacement & recycling Program	\$535,000/yr	Distributed Energy Services	November	Program to replace old, high energy consuming appliances with more efficient equipment
4	Wood Poles	\$500,000/yr	Electric Service Delivery/Finance	November	Master Agreement for the purchase of creosote treated wood poles on an as-needed basis
5	Gas Turbine Maintenance	\$16M over 6 years	Power Supply & Market Operations	November	Master Agreement for maintenance services for gas turbines at Decker and Sand Hill
6	Power Plant & Chiller Plant Maintenance	\$2,700,000/yr	Power Supply & Market Operations	November	Maintenance contract for the power and chiller plants, replacing existing contract which is expiring
7	Network Transformers	\$1,100,000/yr	Electric Service Delivery	November	Master Agreement for the purchase on an as needed basis of network transformers
8	Electrical Supplies Agreement	\$550,000/yr	Electric Service Delivery/Finance	November	Master Agreement for the purchase of various electric supplies
9	Backfill Polyurethane Foam	\$146,720/yr	Finance	November	Master Agreement for the purchase of various polyurethane foam on an as needed basis for inventory supply.
10	Substation Construction Services	\$1M/yr	Electric Service Delivery	December	Master Agreement for services including installation and performance of routine/emergency electric substation and distribution services on an as needed basis.

ELECTRIC UTILITY COMMISSION

Tentative Schedule of Upcoming Briefings, Reports and Topics in 2011 **In addition to Financial (Jan-Oct), Procurements, and DPA/Disconnection (May-Sept) Reports**

OCTOBER 3, 2011

- Special-called meeting to discuss Commercial and Industrial Electric Rates

OCTOBER 17, 2011

- Development of Electric Rate Recommendations for submission to City Council
- Provide input on solar generation planning per Council Resolution No. 20110804-027
- Election of Officers

NOVEMBER 14, 2011

- Rate Redesign Process Update (Weis, Little, Dreyfus)
- Acceptance of 2010 Annual Performance Review
- Adopt 2012 meeting schedule
- Presentation of draft proposal of the Imagine Austin Comprehensive Plan by City staff
- Report on M/WBE Goals (Purchasing Dept; written report)

DECEMBER 19, 2011

- Rate Redesign Process Update (Weis, Little, Dreyfus)