



MEMORANDUM

TO: Mayor and Council Members

CC: Marc A. Ott, City Manager

FROM: Larry Weis, General Manager

DATE: December 5, 2013

SUBJECT: Critical Business Need for repair of Combined Cycle Unit at Sand Hill

ACTION:

As detailed below, and in accordance with City Council-approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy (AE), the repair of the Combined Cycle Unit Heat Recovery Steam Generator (HRSG). The cost for repairs is \$696,025.60. Without this repair the reliability and availability of the Combined Cycle Unit is severely degraded. AE is currently without 80 megawatts from its most efficient and low emissions gas fired generating unit until this work is completed.

BACKGROUND:

The HRSG is a boiler which uses gas turbine exhaust to produce steam used to drive the steam turbine. Due to the time required to plan, make the repair and to secure qualified contractors during outage season, AE was unsuccessful soliciting a qualified vendor through the normal purchasing process. AE with the assistance of City of Austin Purchasing requested repair estimates from several qualified companies and selected a vendor from the results that met the AE repair specification requirements.

AE plans to bring this item forward for ratification by City Council in the next several weeks. Please let me know if you have any questions. I can be reached at 322-6157.

A handwritten signature in blue ink that reads "Larry Weis". The signature is written in a cursive style and is positioned above a horizontal line.

Larry Weis
General Manager