

| A U S T I N C I T Y C O U N C I L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                |             |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|
| AGENDA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                |             |               |
| <b>Recommendation for Council Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                |             |               |
| Austin City Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Item ID                                                                                                                                        | 54118       | Agenda Number |
| Meeting Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1/28/2016                                                                                                                                      | Department: | Austin Energy |
| <b>Subject</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                |             |               |
| Approve issuance of a rebate to NRE Edge LLC, for performing energy efficiency improvements at The Edge Apartments located at 1515 Wickersham Lane, in an amount not to exceed \$83,870 (District 3).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                |             |               |
| <b>Amount and Source of Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                |             |               |
| Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |             |               |
| <b>Fiscal Note</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |             |               |
| There is no unanticipated fiscal impact. A fiscal note is not required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                |             |               |
| Purchasing Language:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |             |               |
| Prior Council Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                |             |               |
| For More Information:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Jeff Vice, Director, Local Government Issues (512) 322-6450; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138                 |             |               |
| Council Committee, Boards and Commission Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | January 19, 2016 – To be reviewed by the Resource Management Commission. January 25, 2016 – To be reviewed by the Electric Utility Commission. |             |               |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                |             |               |
| Related Items:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                |             |               |
| <b>Additional Backup Information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |             |               |
| <p>Austin Energy requests authorization to issue a rebate to NRE Edge LLC, in an amount not to exceed \$83,870, for an energy efficiency measure completed at The Edge Apartments located at 1515 Wickersham Lane, in Council District 3.</p> <p>The property comprises 15 buildings and 270 apartment units, with a total of 280,500 square feet of conditioned space. The average rent for the one bedroom units is \$995 and the two bedroom units rent for \$1,150. The energy efficiency measure to be completed at this property is duct sealing. The estimated total cost of the project is \$104,838; the rebate will cover approximately 80% of the total cost.</p> <p>These improvements are in accordance with Austin Energy's Multifamily Rebate Program. This program is one of the elements of Austin Energy's comprehensive Resource, Generation and Climate Protection Plan, to realize 700 MW of energy efficiency and 200 MW of demand response by 2025. The original plan, approved by City Council in April 2010 and updated in December 2014, is designed in part to reduce local air pollution through energy conservation,</p> |                                                                                                                                                |             |               |

reduce peak demand, reduce the need to purchase additional generation and assist customers in reducing electric consumption.

The avoided kilowatt hours (kWh) estimated at 472,488 kWh per year represents a major benefit to the local environment. This project is estimated to prevent the production of the following air pollutants: 283.7 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.198 metric tons of Nitrogen Oxides (NO<sub>x</sub>), and 0.179 metric tons of Sulfur Dioxide (SO<sub>2</sub>). The project savings is equivalent to an estimated 637,000 vehicle miles traveled, the removal of 54.4 cars from our roadways, or the planting of 7,289 trees or 364 acres of forest in Austin's parks.

# PROJECT FACT SHEET – The Edge Apartments/NRE Edge LLC

|                                                   |                                        |                              |                          |
|---------------------------------------------------|----------------------------------------|------------------------------|--------------------------|
| Property Name                                     | The Edge Apartments                    |                              |                          |
| Customer Name                                     | NRE Edge LLC                           |                              |                          |
| Property Address                                  | 1515 Wickersham Lane, Austin, TX 78741 |                              |                          |
| Average Rent:                                     | 1BR \$995 / 2BR \$1,150                |                              |                          |
| Number of Units                                   | 270                                    | Contractor                   | Leelynn Energy Solutions |
| Housing Type:                                     | Market Rate                            | Total Measure Costs          | \$104,838                |
| FY 2015 Average Median Family Income <sup>1</sup> | \$76,800                               | Total Rebate - Not to Exceed | \$83,870                 |
| Average Income for 78741                          | \$30,871                               | % of Total Measure Costs     | 80%                      |
| ECAD Status                                       | In Compliance                          | Rebate per Unit              | \$311                    |

| PROJECT ANNUAL SAVINGS AT 100% OCCUPANCY |         | SCOPE OF WORK                                  |
|------------------------------------------|---------|------------------------------------------------|
| kW Saved – Estimated                     | 210     | Duct Sealing – Furrdown (99%) and Up-flow (1%) |
| \$/kW – Estimated                        | \$400   |                                                |
| kWh Saved – Estimated                    | 472,488 |                                                |

| MONTHLY SAVINGS PER CUSTOMER - ESTIMATED                             |                      |
|----------------------------------------------------------------------|----------------------|
| Dollar Savings per Residential Customer from efficiency improvements | \$16.04 <sup>2</sup> |

| Measures Performed in last 10 Years at The Edge Apartments | Completion Date | Rebate Amount |
|------------------------------------------------------------|-----------------|---------------|
| Compact Fluorescent Lightbulbs                             | 2008            | \$36,051      |

| Multifamily Program Averages for Duct Seal – Previous 1 Year Participation |          |                        |                     |                            |                                        |
|----------------------------------------------------------------------------|----------|------------------------|---------------------|----------------------------|----------------------------------------|
| Measure                                                                    | Avg\$/kW | % of project cost paid | Avg kWh per project | Avg # of Units per Project | Avg annual dollar savings per customer |
| Duct Seal                                                                  | \$583    | 89%                    | 121,951             | 126                        | \$96                                   |

<sup>1</sup> For a four person household in Austin. Source 2015 HOME Program Income Limits by Household Size. City of Austin, Neighborhood Housing and Community Development Office

<sup>2</sup> Calculation based on 0.11 cents per kWh



| A U S T I N C I T Y C O U N C I L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                |             |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|
| A G E N D A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                |             |               |
| <b>Recommendation for Council Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                |             |               |
| Austin City Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Item ID                                                                                                                                        | 54119       | Agenda Number |
| Meeting Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1/28/2016                                                                                                                                      | Department: | Austin Energy |
| <b>Subject</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |             |               |
| Approve issuance of a rebate to NRE Zone LLC, for performing energy efficiency improvements at The Zone Apartments located at 4700 East Riverside Drive, in an amount not to exceed \$72,945 (District 3).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                |             |               |
| <b>Amount and Source of Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                |             |               |
| Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                |             |               |
| <b>Fiscal Note</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                |             |               |
| There is no unanticipated fiscal impact. A fiscal note is not required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                |             |               |
| Purchasing Language:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                |             |               |
| Prior Council Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                |             |               |
| For More Information:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Jeff Vice, Director, Local Government Issues (512) 322-6450; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.                |             |               |
| Council Committee, Boards and Commission Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | January 19, 2016 – To be reviewed by the Resource Management Commission. January 25, 2016 – To be reviewed by the Electric Utility Commission. |             |               |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                |             |               |
| Related Items:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |             |               |
| <b>Additional Backup Information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                |             |               |
| <p>Austin Energy requests authorization to issue a rebate to NRE Zone LLC, in an amount not to exceed \$72,945, for an energy efficiency measure completed at The Zone Apartments located at 4700 East Riverside Dr., in Council District 3.</p> <p>The property comprises 13 buildings and 252 apartment units, with a total of 244,968 square feet of conditioned space. The average rent for the one bedroom units ranges from \$960 to \$980 and the two bedroom units ranges from \$1,360 to \$1,380, depending on amenities. The energy efficiency measure to be completed at this property is duct sealing. The estimated total cost of the project is \$90,619; the rebate will cover approximately 80% of the total cost.</p> <p>These improvements are in accordance with Austin Energy's Multifamily Rebate Program. This program is one of the elements of Austin Energy's comprehensive Resource, Generation and Climate Protection Plan, to realize 700 MW of energy efficiency and 200 MW of demand response by 2025. The original plan, approved by City Council in April 2010 and updated in December 2014, is designed in part to reduce local air pollution through energy conservation,</p> |                                                                                                                                                |             |               |

reduce peak demand, reduce the need to purchase additional generation and assist customers in reducing electric consumption.

The avoided kilowatt hours (kWh) estimated at 408,757 kWh per year represents a major benefit to the local environment. This project is estimated to prevent the production of the following air pollutants: 245.4 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.171 metric tons of Nitrogen Oxides (NO<sub>x</sub>), and 0.155 metric tons of Sulfur Dioxide (SO<sub>2</sub>). The project savings is equivalent to an estimated 551,079 vehicle miles traveled, the removal of 47.0 cars from our roadways, or the planting of 6,306 trees or 315 acres of forest in Austin's parks.

# PROJECT FACT SHEET – The Zone Apartments/NRE Zone LLC

|                                                   |                                             |                              |                          |
|---------------------------------------------------|---------------------------------------------|------------------------------|--------------------------|
| Property Name                                     | The Zone Apartments                         |                              |                          |
| Customer Name                                     | NRE Zone LLC                                |                              |                          |
| Property Address                                  | 4700 East Riverside Dr., Austin, TX 78741   |                              |                          |
| Average Rent:                                     | 1BR \$960 to \$980 / 2BR \$1,360 to \$1,380 |                              |                          |
| Number of Units                                   | 252                                         | Contractor                   | Leelynn Energy Solutions |
| Housing Type:                                     | Market Rate                                 | Total Measure Costs          | \$90,619                 |
| FY 2015 Average Median Family Income <sup>1</sup> | \$76,800                                    | Total Rebate – Not to Exceed | \$72,945                 |
| Average Income for 78741                          | \$30,871                                    | % of Total Measure Costs     | 80%                      |
| ECAD Status                                       | In Compliance                               | Rebate per Unit              | \$289                    |

| PROJECT ANNUAL SAVINGS AT 100% OCCUPANCY |         | SCOPE OF WORK                                  |
|------------------------------------------|---------|------------------------------------------------|
| kW Saved – Estimated                     | 181     | Duct Sealing – Furrdown (99%) and Up-flow (1%) |
| \$/kW – Estimated                        | \$400   |                                                |
| kWh Saved – Estimated                    | 408,757 |                                                |

| MONTHLY SAVINGS PER CUSTOMER - ESTIMATED                             |                      |
|----------------------------------------------------------------------|----------------------|
| Dollar Savings per Residential Customer from efficiency improvements | \$14.86 <sup>2</sup> |

| Measures Performed in last 10 Years at The Zone Apartments | Completion Date | Rebate Amount |
|------------------------------------------------------------|-----------------|---------------|
| None                                                       |                 |               |

| Multifamily Program Averages for Duct Seal – Previous 1 Year Participation |          |                        |                     |                            |                                        |
|----------------------------------------------------------------------------|----------|------------------------|---------------------|----------------------------|----------------------------------------|
| Measure                                                                    | Avg\$/kW | % of project cost paid | Avg kWh per project | Avg # of Units per Project | Avg annual dollar savings per customer |
| Duct Seal                                                                  | \$583    | 89%                    | 121,951             | 126                        | \$96                                   |

<sup>1</sup> For a four person household in Austin. Source 2015 HOME Program Income Limits by Household Size. City of Austin, Neighborhood Housing and Community Development Office

<sup>2</sup> Calculation based on 0.11 cents per kWh





| A U S T I N C I T Y C O U N C I L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                |             |               |  |
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| A G E N D A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                |             |               |  |
| <b>Recommendation for Council Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                |             |               |  |
| Austin City Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Item ID                                                                                                                                        | 54120       | Agenda Number |  |
| Meeting Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1/28/2016                                                                                                                                      | Department: | Austin Energy |  |
| Subject                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                |             |               |  |
| Approve issuance of a rebate to Riverside Resources, for the installation of energy efficiency measures at its office building located at 10901 Stonelake Blvd., in an amount not to exceed \$60,566 (District 9).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                |             |               |  |
| Amount and Source of Funding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                |             |               |  |
| Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |             |               |  |
| Fiscal Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                |             |               |  |
| There is no unanticipated fiscal impact. A fiscal note is not required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                |             |               |  |
| Purchasing Language:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |             |               |  |
| Prior Council Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                |             |               |  |
| For More Information:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Jeff Vice, Director, Local Government Issues (512) 322-6450; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138                 |             |               |  |
| Council Committee, Boards and Commission Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | January 19, 2016 – To be reviewed by the Resource Management Commission. January 25, 2016 – To be reviewed by the Electric Utility Commission. |             |               |  |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                |             |               |  |
| Related Items:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                |             |               |  |
| Additional Backup Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                |             |               |  |
| <p>Austin Energy requests authorization to issue a rebate to Riverside Resources in an amount not to exceed \$60,566 for energy efficiency measures installed at its Quarry Oaks Building III office building. This new development is located at 10901 Stonelake Blvd. in Council District 9.</p> <p>Quarry Oaks Building III is a 138,000 square foot office building and parking garage. The energy efficiency measures installed include high efficiency interior lighting, cooling towers, variable frequency drives, high efficiency electrically commutated motors and regenerative elevators that generate electricity when descending. The estimated total cost of installing the measures is \$1,504,348, and the rebate will cover approximately 4% of the total cost. The demand savings associated with this energy efficiency project are estimated at 189 kilowatts (kW) at a program cost of \$321 per kW saved.</p> <p>These improvements are in accordance with the Austin Energy's Commercial Rebate Program guidelines. This program is one of the elements of Austin Energy's comprehensive Resource, Generation and Climate Protection Plan</p> |                                                                                                                                                |             |               |  |

to realize 700 MW of energy efficiency and 200 MW of demand response by 2025. The original plan, approved by City Council in April 2010 and updated in December 2014, is designed in part to reduce local air pollution through energy conservation, reduce peak demand, reduce the need to purchase additional generation and assist customers in reducing electric consumption.

The avoided kilowatt hours (kWh) estimated at 399,550 kWh per year represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 239.9 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.151 metric tons of Sulfur Dioxide (SO<sub>2</sub>) and 0.167 metric tons of Nitrogen Oxides (NOX). The project savings are equivalent to an estimated 538,666 vehicle miles traveled, the removal of 46 cars from our roadways, the planting of 6,164 trees or 308 acres of forest in Austin's parks.

# PROJECT FACT SHEET – Quarry Oaks III

|                                                        |                            |  |                                     |             |  |
|--------------------------------------------------------|----------------------------|--|-------------------------------------|-------------|--|
| <b>Property Name</b>                                   | Quarry Oaks – Building III |  |                                     |             |  |
| <b>Customer Name</b>                                   | Riverside Resources        |  |                                     |             |  |
| <b>Property Address</b>                                | 10901 Stonelake Blvd.      |  |                                     |             |  |
| <b>ECAD Status</b><br><b>New Construction - Exempt</b> |                            |  | <b>Total Measure Costs</b>          | \$1,504,348 |  |
|                                                        |                            |  | <b>Total Rebate – Not to Exceed</b> | \$60,566    |  |
|                                                        |                            |  | <b>% of Total Measure Costs</b>     | 4%          |  |

| <b>SCOPE OF WORK</b>              |                      |                           |                            |                      |              |
|-----------------------------------|----------------------|---------------------------|----------------------------|----------------------|--------------|
| <b>Measure</b>                    | <b>Rebate Amount</b> | <b>kW Saved Estimated</b> | <b>kWh Saved Estimated</b> | <b>Measure Costs</b> | <b>\$/kW</b> |
| Interior Lighting                 | \$6,827              | 61.1                      | 138,250                    | \$15,870             | \$112        |
| Exterior Lighting                 | \$124                | 1.7                       | 6,077                      | \$72,785             | \$75         |
| Cooling Towers                    | \$3,121              | 12.5                      | 17,042                     | \$748,693            | \$250        |
| Lighting Controls                 | \$1,143              | 10.7                      | 30,708                     | \$2,000              | \$107        |
| Variable Frequency Drives         | \$8,575              | 23.6                      | 73,571                     | \$11,500             | \$364        |
| ECM Motors                        | \$3,032              | 8.7                       | 28,153                     | \$45,000             | \$350        |
| Custom - Elevators                | \$3,005              | 8.6                       | 10,223                     | \$600,000            | \$350        |
| Direct Expansion Air Conditioning | \$34,739             | 62.0                      | 95,526                     | \$8,500              | \$560        |
| <b>Totals</b>                     | <b>\$60,566</b>      | <b>189</b>                | <b>399,550</b>             | <b>\$1,504,348</b>   | <b>\$321</b> |

| <b>Previous Measures Performed in last 10 Years</b> | <b>Completion Date</b> | <b>Rebate Amount</b> |
|-----------------------------------------------------|------------------------|----------------------|
| None – New Construction                             | N/A                    | N/A                  |

| <b>AE Commercial Energy Efficiency Program for FY2016 (as of December 2015)</b> |                        |                       |                  |               |                          |                          |              |
|---------------------------------------------------------------------------------|------------------------|-----------------------|------------------|---------------|--------------------------|--------------------------|--------------|
| <b>Program</b>                                                                  | <b>kW Savings Goal</b> | <b>YTD kW Savings</b> | <b>% of Goal</b> | <b>Budget</b> | <b>YTD Dollars Spent</b> | <b>YTD Participation</b> | <b>\$/kW</b> |
| Commercial Rebates                                                              | 13,500                 | 2,084                 | 15.4%            | \$3,227,000   | \$1,018,714              | 50                       | \$488        |



| A U S T I N C I T Y C O U N C I L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                              |             |               |
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| AGENDA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                              |             |               |
| <b>Recommendation for Council Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                              |             |               |
| Austin City Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Item ID                                                                                                                                                      | 54053       | Agenda Number |
| Meeting Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1/28/2016                                                                                                                                                    | Department: | Purchasing    |
| <b>Subject</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                              |             |               |
| Authorize negotiation and execution of contracts with qualifying vendors for enrollment of and continued access to thermostats participating in Austin Energy's Power Partner Thermostat Program, in a combined total amount not to exceed \$1,000,000 over the two-year contract terms.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                              |             |               |
| <b>Amount and Source of Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                              |             |               |
| Funding in the amount of \$333,333 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding for the remaining 16 months of the original contracts are contingent upon available funding in future budgets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                              |             |               |
| <b>Fiscal Note</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                              |             |               |
| There is no unanticipated fiscal impact. A fiscal note is not required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                              |             |               |
| Purchasing Language:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Austin Energy is designating this purchase as a Critical Business Need in accordance with Senate Bill 7, as adopted by the City as Resolution No. 040610-02. |             |               |
| Prior Council Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                              |             |               |
| For More Information:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Ray Moncada, Senior Buyer Specialist, 512-322-6594                                                                                                           |             |               |
| Council Committee, Boards and Commission Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | January 19, 2016 – To be reviewed by the Resource Management Commission.<br>January 25, 2016 – To be reviewed by the Electric Utility Commission.            |             |               |
| Related Items:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                              |             |               |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | This contract is exempt from City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program.                                  |             |               |
| <b>Additional Backup Information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                              |             |               |
| <p>These contracts are for vendor participation in Austin Energy's Power Partner Thermostat Program, a demand response program developed by Austin Energy that incentivizes residential and commercial customers for enrolling in the program and providing demand response services to the utility. This industry-leading demand response program is based on forging relationships with third party device manufacturers and web service companies that remotely host communicating or smart thermostats and, potentially, other customer-owned in-home devices.</p> <p>The vendors or software service providers enroll and maintain customers in the program and allow Austin Energy use of the software system to initiate demand response events such as slightly raising or lowering thermostat set points or cycle heating and air conditioning systems when demand for electricity is highest. These minor changes help prevent outages and reduce energy use without significantly impacting comfort.</p> <p>Currently, Austin Energy has contracts with three companies who have met participation requirements and provide services: Ecobee of Toronto, Canada; EnergyHub of Brooklyn, NY; and Nest Labs Inc. of Palo Alto, CA. The utility now seeks approval to renew existing contracts and negotiate contracts with additional companies to participate in the</p> |                                                                                                                                                              |             |               |

Power Partner Thermostat Program. Austin Energy estimates there are about 37,000 Wi-Fi thermostats installed in its service area but only about 9,500 are enrolled in the program. The addition of new service providers is expected to result in an increase in program participation and, in turn, an increased demand response which benefits all customers.

The Power Partner Thermostat Program has been recognized as highly innovative by the electric utility industry and labeled "Bring your own thermostat" or "Bring your own device." Since the beginning of the program in 2013, over 9,500 of these remotely controllable thermostats have been enrolled in the program totaling an estimated 12.8 megawatts (MW) of demand response at an estimated first year cost of \$88 per kilowatt. The demand response is achievable through the vendors' software service supporting the customer's Wi-Fi devices and allowing Austin Energy access to slightly raise or lower thermostat set points or cycle heating, ventilation, and air conditioning units when demand for electricity is highest.

In consideration for these services, Austin Energy provides incentives to the customers for enrolling in the program, and standard incentives to the manufacturer or web host associated with the customer's chosen device. The only way for Austin Energy to access these customer-owned devices for the purposes of demand response is through the customer's device manufacturer or web hosting company; therefore, Austin Energy has no option to access this resource other than enter into agreements with the customers' device manufacturer or web hosting company. Therefore, Austin Energy requires contracts with Nest Labs, Honeywell, Ecobee, Energy Hub, Think Eco, and Energate, based on a recent assessment of available manufacturers. In addition, Austin Energy requires the ability to contract for these same services with additional manufacturers during the term of the requested Council authorization.

The Power Partner Thermostat Program is one of the elements of the comprehensive Resource, Generation and Climate Protection Plan, to realize 700 MW of energy efficiency and 200 MW of demand response by 2025. The original plan, approved by Council in April 2010 and updated in December 2014, is designed to reduce local air pollution through energy conservation, reduce peak demand and assist customers in reducing electric consumption.

Renewing the contracts is necessary to maintain approximately 9,500 existing customer devices. By adding new service providers to the program, Austin Energy estimates an additional 3,000 to 5,000 thermostats per year may participate which could facilitate program growth at a rate of 4 to 7 MW per year, thus avoiding the need to purchase more costly peaking resources in the ERCOT market.

# AGENDA

## Recommendation for Council Action (Purchasing)

|                                                                                                                                                                                                                                                       |                                                                                                                           |       |               |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------|---------------|--|
| Austin City Council                                                                                                                                                                                                                                   | Item ID:                                                                                                                  | 54036 | Agenda Number |  |
| Meeting Date:                                                                                                                                                                                                                                         | January 28, 2016                                                                                                          |       |               |  |
| Department:                                                                                                                                                                                                                                           | Purchasing                                                                                                                |       |               |  |
| Subject                                                                                                                                                                                                                                               |                                                                                                                           |       |               |  |
| Approve ratification of a contract with ABB, INC., for the purchase and installation of human machine interface displays and power supply units to replace defective units at Austin Energy's Fiesta Substation, in an amount not to exceed \$86,765. |                                                                                                                           |       |               |  |
| Amount and Source of Funding                                                                                                                                                                                                                          |                                                                                                                           |       |               |  |
| Funding is available in the Fiscal Year 2015-2016 Capital Budget of Austin Energy.                                                                                                                                                                    |                                                                                                                           |       |               |  |
| Fiscal Note                                                                                                                                                                                                                                           |                                                                                                                           |       |               |  |
| A fiscal note is attached.                                                                                                                                                                                                                            |                                                                                                                           |       |               |  |
| Purchasing Language:                                                                                                                                                                                                                                  | Critical Business Need                                                                                                    |       |               |  |
| Prior Council Action:                                                                                                                                                                                                                                 |                                                                                                                           |       |               |  |
| For More Information:                                                                                                                                                                                                                                 | Darralyn N. Johnson, Buyer II, 512-505-7293                                                                               |       |               |  |
| Boards and Commission Action:                                                                                                                                                                                                                         | January 25, 2016 - To be reviewed by the Electric Utility Commission.                                                     |       |               |  |
| Related Items:                                                                                                                                                                                                                                        |                                                                                                                           |       |               |  |
| MBE / WBE:                                                                                                                                                                                                                                            | This ratification is exempt from City Code Chapter 2-9C Minority and Women Owned Business Enterprise Procurement Program. |       |               |  |

### Additional Backup Information

The contract is for the purchase of human machine interface displays, associated power supplies, and on-site services to replace failed equipment and verify operation at Austin Energy's Fiesta Substation. This contract is necessary to restore communication from Austin Energy's System Control Center to the Fiesta Substation.

In November 2015, Austin Energy's System Control Center lost communications, including supervisory control to the substation, due to an equipment failure within the substation. The equipment allows control of critical, high-voltage functions at the substation. The failure necessitated immediate replacement of the equipment to address safety and operational issues including on-site support from the equipment manufacturer, ABB, Inc., to restore vital functions. Therefore, in accordance with Senate Bill 7, as adopted by the City as Resolution No. 040610-02, Austin Energy designated this purchase as a Critical Business Need to be procured immediately and brought to Council for ratification.







## MEMORANDUM

**TO:** Mayor and City Council

**CC:** Marc A. Ott, City Manager

**FROM:** Larry Weis, General Manager *Lil*

**DATE:** November 23, 2015

**SUBJECT:** Critical Business Need for purchase necessary to restore communication to Fiesta Substation

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### **ACTION**

As detailed below, and in accordance with City Council-approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy, the purchase of equipment and service required to restore communication to the Fiesta Substation. In order to procure this vital equipment and service as soon as possible, Austin Energy is expediting the purchased on the basis of a Critical Business Need.

### **BACKGROUND**

Austin Energy's System Control Center lost supervisory control including communications to the Fiesta Gas-Insulated Switchgear (GIS) Substation due to a failure of equipment within the substation. The critical equipment allows control of complex, high-voltage functions at the substation. Austin Energy must replace the equipment and purchase the required on-site support from ABB to restore these vital functions.

Austin Energy plans to schedule the work during the week of December 7, 2015. A purchase order for the equipment and service must be submitted to ABB before November 25, 2015. Austin Energy and the Purchasing Office will bring this item forward for ratification by City Council on a future agenda. In the meantime, please let me know if you have any questions. I can be reached at 322-6002.



# AGENDA

## Recommendation for Council Action (Purchasing)

|                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        |       |               |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------|--|
| Austin City Council                                                                                                                                                                                                                                                                                                                                            | Item ID:                                                                                                                                               | 54037 | Agenda Number |  |
| Meeting Date:                                                                                                                                                                                                                                                                                                                                                  | January 28, 2016                                                                                                                                       |       |               |  |
| Department:                                                                                                                                                                                                                                                                                                                                                    | Purchasing                                                                                                                                             |       |               |  |
| Subject                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                        |       |               |  |
| <p>Authorize negotiation and execution of an amendment to the contract with GE GRID SOLUTIONS, LLC to provide continued maintenance and support of GE Smallworld Electric Office software to add five one-year extension options in an amount not to exceed \$380,000 per extension option, for a revised total contract amount not to exceed \$4,904,061.</p> |                                                                                                                                                        |       |               |  |
| Amount and Source of Funding                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                        |       |               |  |
| <p>Funding in the amount of \$253,334 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding for the remaining four months of the current 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:                                                                                                                                                                                                                                                                                                                                          | July 29, 2010 - Approved original contract, item #50.                                                                                                  |       |               |  |
| For More Information:                                                                                                                                                                                                                                                                                                                                          | Debbie DePaul, Sr. Buyer Specialist, 512-322-6235                                                                                                      |       |               |  |
| Boards and Commission Action:                                                                                                                                                                                                                                                                                                                                  | January 25, 2016 -- To be reviewed by the Electric Utility Commission.                                                                                 |       |               |  |
| Related Items:                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                        |       |               |  |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                                                     | This contract was awarded as a sole source and is exempt from City Code Chapter 2-9C Minority and Women Owned Business Enterprise Procurement Program. |       |               |  |

### Additional Backup Information

The contract provides software maintenance and support services of GE Smallworld Electric Office software, including software updates, technical bulletins, software patches, technical support and troubleshooting services. GE Smallworld Electric Office is a geographical information system (GIS) software used by Austin Energy to manage its electrical distribution system for continued reliable service to customers.

This critical software is a required component of the outage analysis system used by Austin Energy. The software provides the foundation of the operational GIS that allows Austin Energy to monitor outage locations and crews, and maintain daily electric distribution circuit configuration. Austin Energy relies on this software application to store and access spatial information pertaining to its electric distribution system. The software application allows for spatial data input that reflects the current distribution system.

The GIS software is also utilized by Austin Energy to design distribution construction projects and identify right-of-way corridors that require vegetation management activities.

The GE Smallworld Electric Office is a critical and an integral part of the technology used by Austin Energy to deliver excellent customer service, high system reliability and operational efficiency, while maintaining forecastable operating costs. GE Grid Solutions, LLC is the sole source provider of maintenance and support of this proprietary software. The current contract expires on February 29, 2016.

**CONTRACT AUTHORIZATION SUMMARY**

| <b>Action</b>                                    | <b>Description</b>                   | <b>Amount</b> |
|--------------------------------------------------|--------------------------------------|---------------|
| Council Authorization<br>July 29, 2010, item #50 | Original Authorization               | \$2,891,062   |
| Administrative Amendment<br>March 30, 2012       | Increase of Authorization            | \$54,999      |
| Administrative Amendment<br>September 30, 2015   | Increase of Authorization            | \$58,000      |
| Proposed Amendment                               | Add five one-year extension options  | \$1,900,000   |
|                                                  | Revised Total Contract Authorization | \$4,904,061   |

# AGENDA

## Recommendation for Council Action

|                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                            |             |               |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|--|
| Austin City Council                                                                                                                                                                                                                                                                                                                                                                       | Item ID                                                                                                                                                                                                                                    | 54122       | Agenda Number |  |
| Meeting Date:                                                                                                                                                                                                                                                                                                                                                                             | 1/28/2016                                                                                                                                                                                                                                  | Department: | Austin Energy |  |
| Subject                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                            |             |               |  |
| <p>Authorize recurring exempted sole source procurements (postage, electronic subscriptions and professional dues and memberships) under Texas Local Government Code 252 for expenditures necessary to conduct routine City of Austin business with multiple agencies and vendors in separate amounts not to exceed totals listed below and a total amount not to exceed \$3,333,000.</p> |                                                                                                                                                                                                                                            |             |               |  |
| Amount and Source of Funding                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                            |             |               |  |
| <p>Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.</p>                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                            |             |               |  |
| Fiscal Note                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                            |             |               |  |
| <p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                            |             |               |  |
| Purchasing Language:                                                                                                                                                                                                                                                                                                                                                                      | Exempt Purchases – Sole Source                                                                                                                                                                                                             |             |               |  |
| Prior Council Action:                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                            |             |               |  |
| For More Information:                                                                                                                                                                                                                                                                                                                                                                     | Jeff Vice, Director, Local Government Issues (512) 322-6087; Mark Dreyfus, VP, Regulatory Affairs and Corporate Communications (512) 322-6544                                                                                              |             |               |  |
| Council Committee, Boards and Commission Action:                                                                                                                                                                                                                                                                                                                                          | January 25, 2016 – To be reviewed by the Electric Utility Commission.                                                                                                                                                                      |             |               |  |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                                                                                | These expenses will be expended in compliance with City Code Chapter 2-9D (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established. |             |               |  |
| Related Items:                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                            |             |               |  |

## Additional Backup Information

The City routinely enters into transactions that are exempt from State of Texas competitive procurement law. While exempt from competitive procurement law, these routine transactions can exceed the City Manager's authority when aggregated for an entire fiscal year. Texas Local Government Code 252.022 (a) (7A) allows for items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies.

In the event that a specific vendor identified below discontinues services or is otherwise not available to provide the required goods and services, the City will attempt to use a similar vendor to fulfill the City's requirements without returning for additional Council action. For example, should one of the providers of electronic subscription services no longer provide the service, the City will attempt to acquire an alternate provider, subject to the same anticipated expenditure level.

The table below identifies the anticipated vendor or agency and provides a description of the expenditure and estimated amount to be expended in Fiscal Year 2015-2016.

| VENDOR                                   | CATEGORY                          | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | AMOUNT      |
|------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| U.S. Postal Service (USPS)               | Postage                           | Austin Energy (AE) requires postage for customer-related mailings including: utility bills (average \$185,000/month), Customer Assistance Program correspondence, line clearance and tree trimming notifications and hearings notifications. Postage is needed for mailings on issues related to meter tampering and theft investigations. AE distributes materials to promote its program offerings and incentives related to energy efficiency, demand response, solar, etc. Postage is used for community event outreach announcements, mandatory compliance and regulatory reports and for real estate matters including utility easements and transmission maintenance notices, and for miscellaneous routine mail as needed. | \$2,770,000 |
| E-Source                                 | Electronic Subscription Service   | E-Source is an internationally utilized service that provides unbiased, independent analysis of retail energy markets, services and technologies. Members may receive training, research services, strategic consulting and access to industry experts. The service provides proprietary surveys and databases not available by other means including benchmarking surveys of customers nationwide, survey results from 32,000 US households used for evaluating potential new products and services, and databases with data and information on demand response programs and rate cases.                                                                                                                                          | \$155,000   |
| Large Public Power Council (LPPC)        | Professional Dues and Memberships | Created in 1987, LPPC consists of 25 of the nation's largest public power systems, including AE, CPS Energy and LCRA. LPPC provides forums where public power electric utility professionals exchange information and best practices. LPPC has four Task Forces—Governmental Relations, Environmental, Tax and Finance and Energy Regulation—that deal with federal legislation, environmental rules and regulations, tax implications, and electric and energy policy. LPPC hires professional consultants in each of these areas to assist the organization and its individual members. LPPC is extremely valuable in lobbying the Congress and federal agencies on public policies related to the industry.                     | \$128,000   |
| American Public Power Association (APPA) | Professional Dues and Memberships | APPA is the national trade association for the more than 2,000 public power electric utilities. Created in 1940, the Washington, DC based association's mission is to advance the interests of its members and consumers. APPA provides an array of services to assist Austin Energy in fulfilling its mission to provide clean, affordable and reliable service. APPA provides detailed analyses of federal legislation related to the electric utility industry, and a full array of advocacy, education and information services and programs. APPA's policy positions emphasize the importance of hometown decision making.                                                                                                    | \$120,000   |
| Texas Public Power Association (TPPA)    | Professional Dues and Memberships | TPPA is the state trade association representing the interests of 72 public power providers located throughout Texas, including Austin Energy, CPS Energy and LCRA. TPPA is a central vehicle through which members can extend their influence on policy matters affecting the public power industry, especially at the Texas Legislature. TPPA provides forums for the transfer of information, technology and training in the public power arena.                                                                                                                                                                                                                                                                                | \$75,000    |

| VENDOR                                                              | CATEGORY                          | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | AMOUNT      |
|---------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| M.J. Bradley & Associates—<br>Clean Energy Group<br>(MJB&A and CEG) | Professional Dues and Memberships | MJB&A coordinates national coalitions to advance clean energy policy, protect air and water, reduce methane emissions, and support safe, reliable and cost-effective natural gas service. AE is a member of the CEG, a coalition made up of public and private electric utilities to promote clean energy initiatives. The CEG provides AE with a forum to have influence at the federal level to further the goals of the Resource, Generation and Climate Protection Plan to reduce greenhouse gas (GHG) emissions from power plants to 20 percent of 2005 levels by 2020 and to promote clean energy and energy efficiency. The CEG and its individual electric utilities, including Calpine, Nextera, PG&E, PSEG, Exelon, National Grid, Seattle City Light, SMUD, Entergy, NYPA and LADWP, are vocal advocates of progressive environmental policies and AE benefits from belonging to a coalition that promotes like-minded environmental policies. The CEG also provides its members with technical information and analyses that address federal environmental policies. It provides AE with detailed and technical information to respond to environmental rules and regulations proposed and administered by the EPA including rules and regulations dealing with the Clean Power Plan to reduce GHGs, replacement rules for NOx and SO2 cap and trade programs, ozone and new particulate matter standards, rules for disposal and processing of coal combustion products, wastewater effluent standards at utilities and cooling water intake structure standards among others. | \$85,000    |
|                                                                     |                                   | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | \$3,333,000 |





# AGENDA

## Recommendation for Council Action (Purchasing)

|                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                |       |               |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------|--|
| Austin City Council                                                                                                                                                                                                                                                                                                                    | Item ID:                                                                                                                                                                                                                                                                                                                                                       | 54104 | Agenda Number |  |
| Meeting Date:                                                                                                                                                                                                                                                                                                                          | February 4, 2016                                                                                                                                                                                                                                                                                                                                               |       |               |  |
| Department:                                                                                                                                                                                                                                                                                                                            | Purchasing                                                                                                                                                                                                                                                                                                                                                     |       |               |  |
| Subject                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                |       |               |  |
| <p>Authorize award and execution of a 36-month contract with TECHLINE INC. to provide decorative luminaires, street lights and poles in an amount not to exceed \$731,502, with three 12-month extension options in an amount not to exceed \$243,834 per extension option, for a total contract amount not to exceed \$1,463,004.</p> |                                                                                                                                                                                                                                                                                                                                                                |       |               |  |
| Amount and Source of Funding                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                |       |               |  |
| <p>Funding in the amount of \$142,237 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding for the remaining 29 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:                                                                                                                                                                                                                                                                                                                   | Lowest bid received from the current provider.                                                                                                                                                                                                                                                                                                                 |       |               |  |
| Prior Council Action:                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                |       |               |  |
| For More Information:                                                                                                                                                                                                                                                                                                                  | Gabriel Guerrero, Buyer II, 512-322-6060                                                                                                                                                                                                                                                                                                                       |       |               |  |
| Boards and Commission Action:                                                                                                                                                                                                                                                                                                          | January 25, 2016 - To be reviewed by the Electric Utility Commission.                                                                                                                                                                                                                                                                                          |       |               |  |
| Related Items:                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                |       |               |  |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                             | <p>This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.</p> |       |               |  |
| Additional Backup Information                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                |       |               |  |

The contract is for the purchase of decorative street lighting for installation in Austin Energy's service territory. It includes six different styles in three different colors of luminaires, street lights and poles. It also includes light-emitting diode (LED) luminaires. This type of decorative lighting, composed of a lamp pole, pole base cover and luminaire assembly, has been selected by designers and developers for various subdivisions and public projects throughout Austin Energy's service area as an aesthetic improvement over traditional street lights.

This type of lighting is an upgrade from the conventional lighting system; the developer pays for the cost difference between a conventional lighting system and a decorative system. This cost varies from location to location, as well as fixture to fixture due to spacing criteria, terrain, and home owner's association agreements. Austin Energy maintains the decorative poles that are not behind a meter. If a decorative pole is damaged, the responsible party pays for

replacement.

This contract will provide a continuous supply of decorative lighting for new installations and replacement of failed or damaged luminaires and poles as required. This contract will be used to replenish stock at Austin Energy's St. Elmo warehouse for issuance to street lighting crews.

This contract would ensure that Austin Energy has the critical parts required for street light crews to complete timely repairs and maintenance, and installation for new projects. The current contract expires on February 16, 2016.

MBE/WBE Solicited: 9/4

MBE/WBE Bid: 0/0

### **BID TABULATION**

IFB No. GGU0149REBID

Decorative Luminaires, Street Lights and Poles Annual Price Agreement  
(51 line items)

| <b><u>Vendor</u></b>                         | <b><u>Total Items Bid</u></b> | <b><u>Total Annual Bid</u></b> |
|----------------------------------------------|-------------------------------|--------------------------------|
| <b>Techline Inc.*<br/>Austin, TX</b>         | <b>51</b>                     | <b>\$243,834</b>               |
| Techline Inc.*<br>Austin, TX                 | 51                            | \$248,559                      |
| Power Supply Inc.<br>Austin, TX              | 51                            | \$273,570                      |
| Stuart C. Irby<br>Austin, TX                 | 51                            | \$318,811                      |
| Wildcat Electric Supply<br>Wimberley, TX     | 12**                          | \$17,559                       |
| Priester-Mell & Nicholson Inc.<br>Austin, TX | 12**                          | \$18,177                       |

\* Techline Inc. submitted two different bids offering distinct products.

\*\* Wildcat Electric Supply and Priester-Mell & Nicholson Inc. were not the low bid on any of the 12 line items.

A complete bid tabulation is on file in the Purchasing Office and is on the City's Financial Services Austin Finance Online website at: [https://www.austintexas.gov/financeonline/vendor\\_connection/solicitation/search.cfm](https://www.austintexas.gov/financeonline/vendor_connection/solicitation/search.cfm)

### **PRICE ANALYSIS**

- Adequate competition.
- 224 notices were sent, including nine MBEs and four WBEs. Six bids were received, with no response from the MBEs/WBEs.
- The pricing structure in this solicitation is for individual components whereas the current contract has pricing for the complete assembly. In addition, there are new fixtures included in this solicitation that were not in the previous contract; therefore, no direct pricing comparison is available. On average, the component pricing combined to represent a complete assembly represents a 67% increase to the current contract awarded in December 2010. The increase is supported by associated indexes published by the Bureau of Labor Statistics. In addition, although an increase from the previous contract, the pricing is reasonable in the market as supported by the six competitive bids that were received.

### **APPROVAL JUSTIFICATION**

- Lowest bid received. Techline, Inc. is the current provider of these products.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

**CITY OF AUSTIN**

**AGENDA DATE: FEBRUARY 25, 2016**

**VENDOR NAME: OSMOSE UTILITY SERVICES, INC.**

**SUBJECT**

Approve ratification of a contract with **OSMOSE UTILITY SERVICES, INC.** for the emergency repair of two electrical transmission towers in an amount of \$70,000.

**AMOUNT AND SOURCE OF FUNDING**

Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy.

**FISCAL NOTE**

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

**FOR MORE INFORMATION CONTACT**

Gage Loots, Corporate Purchasing Manager, 512-322-6251

**PRIOR COUNCIL ACTION**

**BOARD AND COMMISSION ACTION**

January 25, 2016 - To be reviewed by the Electric Utility Commission.

**PURCHASING**

Emergency Purchase.

**MBE/WBE**

This contract is exempt as specified in Texas Government Code Chapter 252.022.

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The contract is for the purchase of emergency repair services of two electrical transmission towers for Austin Energy. The tower on Circuit 3131 provides 345kV transmission voltage that brings power from Fayette Power Plant to Lost Pines Power Plant eventually into our Austrop Switching Station that provides power to the City. Circuit 920 provides 138kV transmission voltage and power to the City from the Austrop Switching Station. Both circuits provide a major transmission path from the east to help provide reliable transmission service.

During routine inspection of the structures, both towers were identified to have one tower leg that has severe corrosion at the ground line. If the repairs are not made and given the right weather conditions, the towers could fail and fall, posing a serious safety risk to personnel and the public. Additionally, if these structures fail it will cause a significant system event including localized or cascading power outages impacting both Austin Energy and the ERCOT grid.

In order to immediately initiate the repairs needed to address this potential safety hazard, this procurement was designated as an emergency purchase to be brought to Council for ratification.

