


<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> 				
Recommendation for Council Action				
Austin City Council	Item ID	56214	Agenda Number	
Meeting Date:	3/24/2016		Department:	Austin Energy
Subject				
<p>Approve an ordinance amending the Fiscal Year 2015-2016 City of Austin Fee Schedule (Ordinance No. 20150908-003) to reflect a decrease in the Power Supply Adjustment charge.</p>				
Amount and Source of Funding				
<p>A reduction of \$35,565,630 to the Power Supply Adjustment Revenue will be offset by a reduction of \$35,565,630 to Power Supply Expenses.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:				
Prior Council Action:	September 8, 2015 - Approved Ordinance No. 20150908-003 including the City of Austin Electric Tariff.			
For More Information:	Mark Dombroski, Interim General Manager, Austin Energy (512) 322-6148.			
Council Committee, Boards and Commission Action:	March 21, 2016 - To be reviewed by the Electric Utility Commission.			
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>The Power Supply Adjustment (PSA) tariff requires that the rate be determined as part of the City of Austin's annual budgeting process. The tariff also provides that the PSA rate be adjusted during the fiscal year to eliminate any over recovery as described within the tariff.</p> <p>This action amends the fee schedule to reflect the required change discussed in Austin Energy's memo sent to City Council members on February 29, 2016, regarding the decrease in the PSA rate for 2016.</p> <p>The PSA is a dollar-for-dollar cost pass-through to utility customers for the recovery and crediting of Electric Reliability Council of Texas (ERCOT) settlements, fuel costs, and purchased power agreement costs, with an adjustment for the over/under recovery balance for the period preceding the adjustment of the PSA. There is no profit or General Fund transfer on PSA charges.</p> <p>Austin Energy customers will see an 11.3% decrease in the Power Supply Adjustment (PSA) charge on their utility bills starting April 1, 2016. For a residential customer using 1,000 kilowatt hours (kWh) per month, the decrease will</p>				

be \$3.56 per month. This decrease in the PSA is due to the continued unprecedented decrease in natural gas prices and ERCOT power prices, which are directly correlated. The reduction in oil prices has reduced the fuel expenses for our natural gas generators and power expenses for retail customers beyond the levels contemplated under the current PSA rate.

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE SCHEDULE OF FEES, FINES, AND
OTHER CHARGES TO BE SET OR CHARGED BY THE CITY FOR FISCAL
YEAR 2015-2016 (ORDINANCE NO. 20150908-003) TO REFLECT A
DECREASE IN THE POWER SUPPLY ADJUSTMENT CHARGE.

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

PART 1. The City Council amends the Fiscal Year 2015-2016 City of Austin Fee
Schedule (Ordinance No. 20150908-003) as set forth in Exhibit "A" to this ordinance
to reflect a decrease to the Power Supply Adjustment charge found in the electric rate
schedules.

PART 2. This ordinance takes effect on _____, 2016.

PASSED AND APPROVED

_____, 2016 §
 §
 § _____
Steve Adler
Mayor

APPROVED: _____
Anne Morgan
City Attorney

ATTEST: _____
Jannette S. Goodall
City Clerk



MEMORANDUM

TO: Mayor and Council Members

CC: Marc A. Ott, City Manager

FROM: Mark Dombroski, Interim General Manager

DATE: February 29, 2016

SUBJECT: Decrease in Austin Energy's Power Supply Adjustment Rate for 2016

A handwritten signature in blue ink, likely belonging to Mark Dombroski, the Interim General Manager.

Austin Energy **customers will see an 11.3% decrease** in the Power Supply Adjustment (PSA) charge **on their utility bills starting April 1, 2016**. This decrease is due to the continued unprecedented decrease in natural gas prices and the Electric Reliability Council of Texas (ERCOT) power prices, which are directly correlated. The reduction in oil prices has reduced the fuel expenses for our natural gas generators and power expenses for retail customers beyond the levels contemplated under the current PSA rate. A **residential** customer bill for 1,000 kilowatt (kWh) per month **will decrease by \$3.56**.

Background

This decrease is unrelated to Austin Energy's current review of its **base** electric rates. The PSA tariff requires that the rate be determined as part of the City of Austin's annual budgeting process, including a public hearing. The tariff also provides that the PSA rate may be adjusted during the fiscal year to eliminate any over/under recovery as described within the tariff.

The PSA is a dollar-for-dollar cost pass-through to utility customers for the recovery and crediting of ERCOT settlements, fuel costs, and purchased power agreement costs, with an adjustment for the over/under recovery balance for the period preceding the adjustment of the PSA. There is no profit or General Fund transfer on PSA charges.

Policy

To enact such an adjustment, the City Manager must publicly present a report to the City Council that provides the underlying calculations for the PSA both pre/post-adjustment by customer class within 30 days of any adjustment of the PSA. If, at any time, the balance of PSA costs recovered since the date of the last PSA adjustment is more than 110% of PSA costs actually incurred during such period, and such variance is projected to remain above 110% after 12 months from the date of the last PSA adjustment, the **PSA must be adjusted** to eliminate the balance within the next 12 months. The PSA recovery is currently projected to be above 110% after the date of the last PSA adjustment, which was November 1, 2015.

In compliance with the adopted tariff, this memorandum serves as the City Manager's publicly presented report to the City Council.

PSA Charge Differences between Customer Classes

To determine the PSA for customer classes, Austin Energy adjusts the average system rate based upon the level of voltage in which the customer receives their electricity. Customers served at primary and transmission level voltage install and maintain their own transformer(s) and related equipment at their site because it is necessary to step down the voltage before the power enters their facility. Electricity delivered at higher voltages results in lower line losses between the point of generation and delivery to the customer. As a result, primary and transmission customers pay a slightly lower PSA charge. **Residential and most business customers receive secondary service.** All customers will receive an 11.3% reduction in their PSA rate. The total impact of this reduction on a customer's bill is dependent upon their voltage level, consumption, and usage pattern.

The following table indicates the PSA rates per kWh by voltage level on bills beginning April 1, 2016.

Austin Energy Voltage Level	Voltage Level Adjustment Factors	PSA Rate per kWh Effective April 1, 2016
System Average	n/a	2.769 cents
Secondary	1.0049	2.783 cents
Primary	0.9821	2.720 cents
Transmission	0.9696	2.685 cents

The PSA on residential bills will decrease from the current 3.139 cents to 2.783 cents per kWh, which represents an 11.3% decrease effective with April 2016 electric bills. Austin Energy residential and commercial Business Cents and Energizer customers who subscribe to GreenChoice® will also see a decrease since GreenChoice® customers pay an additional \$0.0075 (3/4 of one cent) per kWh added to the PSA rate.

Underlying Calculations for the PSA

Austin Energy utilizes a standard formula to develop the PSA average system rate, as shown below:

$$\frac{(\text{Over}) \text{ or Under Recovery} + \left(\frac{(\text{Historical Costs} / \text{Historical kWh})}{\text{Normalized kWh Forecast}} \times \text{Normalized kWh Forecast} \right)}{\text{Normalized kWh Forecast}}$$

Historical costs and load (kWh) may be adjusted to reflect known and measurable changes to account for one-time events, abnormal weather or operating conditions, or other events not reflected or improperly reflected in the historical numbers.

The current (pre-adjustment) PSA average system rate developed during the FY2016 annual budget process utilized historical costs as of June 30, 2015, and a normalized load forecast period of November 1, 2015 through October 31, 2016, which resulted in an average system rate of 3.124 cents per kWh, as shown below (in millions of dollars and kWh):





$$\frac{\left(\frac{(\$26.2)}{11,714.8 \text{ kWh}} + \frac{\$401.0}{11,976.9 \text{ kWh}} \right) \times 11,714.8 \text{ kWh}}{11,714.8 \text{ kWh}}$$

The post-adjustment PSA average system rate utilizes adjusted historical costs and an updated over recovery amount which reflects the balance as of January 31, 2016, and a normalized load forecast period of April 1, 2016, through March 31, 2017, which results in an average system rate of 2.769 cents per kWh, as shown below (in millions of dollars and kWh):

$$\frac{\left(\frac{(\$79.3)}{12,284.2 \text{ kWh}} + \frac{\$409.0}{11,976.9 \text{ kWh}} \right) \times 12,284.2 \text{ kWh}}{12,284.2 \text{ kWh}}$$

Please let me know if you have any questions.

xc: Elaine Hart, CPA, Chief Financial Officer, City of Austin
 Ed van Eenoo, Deputy Chief Financial Officer, City of Austin
 Greg Canally, Deputy Chief Financial Officer, City of Austin
 Electric Utility Commission

<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> <div style="display: flex; justify-content: space-around;">     </div>				
Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	55887	Agenda Number	
Meeting Date:	March 31, 2016			
Department:	Purchasing			
Subject				
<p>Authorize negotiation and execution of three contracts through the Texas Local Government Purchasing Cooperative (BuyBoard) for light duty vehicles with CALDWELL COUNTRY CHEVROLET DBA BABY JACK II AUTOMOTIVE, LTD in an amount not to exceed \$1,106,108, GRAPEVINE DODGE CHRYSLER JEEP, LLC DBA GRAPEVINE DCJ, LLC in an amount not to exceed \$1,375,186, and SILSBEE FORD, INC. in an amount not to exceed \$2,323,832, for a total amount not to exceed \$4,805,126.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$314,243 is available in the Fiscal Year 2015-2016 Capital Budget of the Austin Code Department. Funding in the amount of \$1,293,785 is available in the Fiscal Year 2015-2016 Capital Budget of Austin Energy. Funding in the amount of \$950,668 is available in the Fiscal Year 2015-2016 Capital Budget of Austin Water. Funding in the amount of \$224,020 is available in the Fiscal Year 2015-2016 Capital Budget of the Aviation Department. Funding in the amount of \$64,860 is available in the Fiscal Year 2015-2016 Operating Budget of the Development Services Department. Funding in the amount of \$1,154,682 is available in the Fiscal Year 2015-2016 Operating Budget of Fleet Services. Funding in the amount of \$43,240 is available in the Fiscal Year 2015-2016 Operating Budget of the Health and Human Services Department. Funding in the amount of \$169,199 is available in the Fiscal Year 2015-2016 Operating Budget of Public Works. Funding in the amount of \$147,477 is available in the Fiscal Year 2015-2016 Capital Budget of the Transportation Department. Funding in the amount of \$57,157 is available in the Fiscal Year 2015-2016 Operating Budget of the Transportation Department. Funding in the amount of \$385,795 is available in the Fiscal Year 2015-2016 Capital Budget of the Watershed Protection Department.</p>				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:	Cooperative Purchase			
Prior Council Action:				
For More Information:	Marian Moore, Buyer II, 512-974-2062			
Boards and Commission Action:	March 9, 2016 – To be reviewed by Water and Wastewater Commission. March 21, 2016 – To be reviewed by Electric Utility Commission. March 22, 2016 – To be reviewed by Parks and Recreation Board.			
Related Items:				
MBE / WBE:	This cooperative contract 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 contract, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.			
Additional Backup Information				

The contracts are for the purchase of 113 replacement vehicles and 41 new vehicles to be distributed among Austin Code, Austin Energy, Austin Water, Aviation, the Building Services Department, the Capital Contracting Office, the Development Services Department, Fleet Services, the Health and Human Services Department, the Parks and Recreation Department, Public Works, the Transportation Department, and the Watershed Protection Department.

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

Departments review the list of vehicles determined eligible by Fleet Services for replacement based on mileage, hours of use, and maintenance costs. From that list, priority uses are determined within the departments, and the proposed vehicles are reviewed by the Fleet Service Center Manager to ensure the specified vehicles are appropriate for the use. Funding for these vehicles has been approved by Council in the current fiscal budget.

An analysis was conducted to determine the Texas Local Government Purchasing Cooperative (BuyBoard) contract was the best value to the City. This contract offers the lowest vehicle prices and is able to fully meet the needs of the departments listed above. Each of the awarded companies, listed in the subject line, is contracted through BuyBoard to supply vehicles to other public entities as a result of a competitive bidding process.

Fleet Services and the Office of Sustainability have worked together to develop a vehicle purchasing process to progress towards our citywide objective of obtaining carbon neutrality by 2020. This purchasing standard incorporates the following criteria: pollutant and greenhouse gas emissions impact, available technologies on the market, physical demands on the vehicle, service application, and life-cycle cost. These criteria are applied to all vehicle purchase requests submitted to Fleet.

Twenty-four (24) of these vehicles are powered by an engine capable of operating on B20 biodiesel (20% biodiesel blended with 80% petro-diesel). The B20 biodiesel that the City currently purchases is soy-based biodiesel blended with Texas Commission on Environmental Quality, Low Emissions Diesel compliant ultra-low sulfur diesel. A new technology vehicle operating on B20 produces at least 10% less particulate matter, at least 10% less carbon monoxide, and at least 10% less unburned hydrocarbons than one running on petro-diesel, while also reducing life-cycle greenhouse gas emission by at least 15%.

One hundred, thirty (130) of these vehicles are flex-fuel vehicles capable of operating on gasoline (typically 6-10% ethanol) up to E85 (85% ethanol blended with 15% gasoline). New technology flex-fuel vehicles operating on E85 produce tailpipe nitrous oxide, carbon monoxide, and non-methane hydrocarbon levels no different from running on gasoline while also reducing life-cycle greenhouse gas emissions by at least 20%.

All of these replacement vehicles have met the Fleet Officer's eligibility criteria for replacement. The Fleet Service Center Managers have inspected each vehicle to be replaced and determined that the mileage or hours of use of each vehicle proposed for replacement cannot be increased without risking a significant increase in repair costs and loss of productivity due to downtime. New units must be put on order as soon as possible to ensure their place in the production schedule in order to be received before old units are rendered unusable.

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

Austin Code

Four Ford F150 trucks – New

Seven Ford F150 trucks – Replacement

Austin Energy

Five Chevrolet Equinoxes – New

Two Chevrolet Equinoxes – Replacement

One Chevrolet Tahoe – New

Seven Ford F150 trucks – Replacement

One Ford F250 truck – New

Six Ford F250 trucks – Replacement

One Ford van – New

One Ford van – Replacement
Two Ram 3500 trucks – New
Three Ram 3500 trucks – Replacement
Five Ram 4500 trucks – Replacement

Austin Water

Two Chevrolet Equinoxes – New
Four Chevrolet Equinoxes – Replacement
One Ford F150 truck – New
15 Ford F150 trucks – Replacement
Three Ford vans – Replacement
One Ram 2500 truck – Replacement
Four Ram 5500 trucks – Replacement

Aviation

Five Chevrolet Equinoxes – Replacement
Three Chevrolet K1500 trucks – Replacement

Building Services Department

Two Ford vans – Replacement

Capital Contracting Office

One Ford F150 truck – New

Development Services Department

Three Chevrolet Equinoxes – New
Seven Chevrolet Equinoxes – Replacement
Four Ford Explorers – Replacement

Fleet Services

One Chevrolet C3500 truck – Replacement
One Ford Explorer – Replacement
11 Ford F150 trucks – New
One Ford F150 truck – Replacement
One Ford Taurus – Replacement
One Ram 2500 truck – Replacement

Health and Human Services Department

Two Chevrolet Equinoxes – New
Two Ford F150 trucks – Replacement
One Ford van – Replacement

Parks and Recreation Department

One Chevrolet Equinox – Replacement
One Ford Explorer – Replacement
Three Ford F150 trucks – Replacement
Four Ford F250 trucks – Replacement
One Ram 3500 truck – Replacement

Public Works

Four Chevrolet Equinoxes – Replacement
Three Ford F150 trucks – Replacement

Transportation Department

Three Chevrolet Equinoxes – New
One Ford Explorer – New
One Ford Explorer – Replacement
One Ram 4500 truck – Replacement

Watershed Protection Department

One Chevrolet Equinox – New

Two Chevrolet Equinoxes – Replacement

One Ford F150 truck – New





One Ford F150 truck – Replacement

One Ford F250 truck – Replacement

One Ford van – Replacement

One Ram 5500 truck – New

Two Ram 5500 trucks - Replacement

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Recommendation for Council Action (Purchasing)				
Austin City Council		Item ID:		Agenda Number
Meeting Date:	March 31, 2016			
Department:	Financial Services			
Subject				
<p>Authorize negotiation and execution of a 24-month contract with GRUENE ENVIRONMENTAL COMPANIES, LP, or one of the other qualified offeror to Request for Proposal NST0409, for the purchase of environmental spill response services, in an amount not to exceed \$1,280,000, with three 12-month extension options, in an amount not to exceed \$640,000 per extension option, for a total contract amount not to exceed \$3,200,000.</p>				
Amount and Source of Funding				
There is no unanticipated fiscal impact.				
Fiscal Note				
A fiscal note is not required.				
Purchasing Language:	B			
Prior Council Action:				
For More Information:	Nicole Turner, Senior Buyer Supervisor, 512-322-6586			
Boards and Commission Action:	March 21, 2016 - To be reviewed by the Electric Utility Commission.			
Related Items:				
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C 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.			
Additional Backup Information				
<p>The contract is for the purchase of environmental spill response services. These services include emergency and non-emergency response, clean-up, and restoration services for hazardous and non-hazardous oil and chemical spills. This contract enables Austin Energy to meet all regulatory requirements set forth by local, state, and federal environmental regulatory agencies. This necessary support service, such as immediate spill response, ensures that professional crews are ready to respond to spills anywhere in the Austin Energy service area.</p> <p>The most common type of spill requiring such service is oil from a transformer. Some reasons that a transformer may leak include degradation of the metal in the form of rust, failure of a gasket and/or bushing, or impact by a moving</p>				

vehicle. This contract protects the customer's property and the City's property from environmental impacts due to equipment failures and accidents. Clean-up measures and techniques that comply with all state and federal regulations will be performed by experienced, trained, and accredited personnel. This ensures the utility is safely handling and cleaning hazardous chemicals and spills associated with high voltage electrical equipment.

An Austin Energy evaluation team with expertise in this area evaluated the proposals and rated this proposal as the best to provide these services. Evaluation criteria used to evaluate the proposals included technical solution, experience and qualifications, cost, and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease and staff will return to Council so that another qualified offeror may be selected.

A complete solicitation package, including a response list, is on file with the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

PRICE ANALYSIS





- a. Adequate competition.
- b. 49 notices were sent. There are no known MBE/WBE firms for this commodity code. Three proposals were received. Multiple notices may be sent to the same vendor, e.g., one vendor may have multiple email addresses/fax numbers.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. The Purchasing Office recommends contract award consistent with the evaluation committee.
- c. Advertised on the internet.

Evaluation Category	Maximum Points	GRUENE ENVIRONMENTAL COMPANIES, LP AUSTIN, TX	TAS ENVIRONMENTAL SERVICES, LP FORT WORTH, TX	SWSES ENVIRONMENTAL SERVICES PANAMA CITY BEACH, FL
Technical Concept & Program	35	34.0	22.3	28.0
Experience & Qualifications	25	23.7	19.7	20.7
Total Evaluated Cost	30	30	20.5	12.2
Local Business Presence	10	0	0	0
Total	100	87.7	62.5	60.9

NOTE: As per Section 252.049 of the local government code, contents of a proposal shall remain confidential until a contract is awarded or as directed by the Texas Attorney General's Office. Therefore, the matrix will include points awarded for price but exact pricing will not be disclosed.





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Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	55884	Agenda Number	
Meeting Date:	March 31, 2016			
Department:	Purchasing			
Subject				
<p>Authorize ratification of an amendment to the contract with USIC LOCATING SERVICES LLC, for underground utility locating services, to increase the contract authorization for the current contract period in an amount not to exceed \$350,000, for a revised total contract amount not to exceed \$2,249,750.</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:	Contract Ratification			
Prior Council Action:	March 3, 2011 - Approved original contract, item #18.			
For More Information:	Darralyn N. Johnson, Buyer II, 512-505-7293			
Boards and Commission Action:	March 21, 2016 - To be reviewed by the Electric Utility Commission.			
Related Items:				
MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for this contract.			
Additional Backup Information				
<p>The contract provides Austin Energy with ready access to equipment, materials, and qualified contract labor to safely and effectively provide underground utility locating services. The Contractor responds, as required, to all excavation notices directed to Austin Energy through the Texas One-Call Center or any other source in accordance with the current Texas Underground Facility Damage Prevention and Safety Act. Services include, but are not limited to, painting, flagging, and/or staking of utility lines in accordance with current state and Austin Energy specifications. These services are required for the purpose of safeguarding underground and subsurface facilities from excavation damage as mandated by Texas Administrative Code Title 16, Part 1, Chapter 18 and Utilities Code Title 5, Chapter 251.</p>				
<p>Additional funding is needed due to continued development and construction in Austin Energy's service territory.</p>				

Examples of development and construction requiring underground utility locating services include construction of new multi-use developments, apartment complexes, residential subdivisions and commercial developments; the widening of county roads and state highways; and the installation of telecommunications infrastructure.

The extent of the impact of area development and construction was not fully anticipated when the contract was renewed and the demand for this contract escalated far beyond original forecasts. In order to ensure Austin Energy's ability to meet obligations to perform underground utility locating services under the Texas Underground Facility Damage Prevention and Safety Act, an amendment was executed on February 24, 2016 to immediately add authorization to this contract and bring forth this Request for Council Action for ratification.

CONTRACT SUMMARY

Action	Description	Amount
Original Contract March 3, 2011, item 18	Original 24-month contract with three 12-month options	\$1,783,750
Administrative Amendments	Increase of contract authorization	\$116,000
Amendment to be Ratified	Increase of contract authorization	\$350,000
Total Revised Contract Amount		\$2,249,750

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Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	55885	Agenda Number	
Meeting Date:	March 31, 2016			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a 24-month contract with USIC LOCATING SERVICES LLC, to provide underground utility locating services, in an amount not to exceed \$2,364,000, with three 12-month extension options in an amount not to exceed \$1,182,000 per extension option, for a total contract amount not to exceed \$5,910,000.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$591,000 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding for the remaining 18 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:	March 21, 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 2-9C 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				
<p>The contract will provide Austin Energy with ready access to equipment, materials, and qualified personnel to safely and effectively provide underground utility locating services. The Contractor shall respond to all excavation notices directed to Austin Energy through the Texas One-Call Center or any other source in accordance with the current Texas Underground Facility Damage Prevention and Safety Act. Services include, but are not limited to, painting, flagging, and/or staking of utility lines in accordance with the current state and Austin Energy specifications.</p>				
<p>The contract will ensure that Austin Energy has the services required for the purpose of safeguarding underground and subsurface facilities from excavation damage as mandated by Texas Administrative Code Title 16, Part 1, Chapter 18 and Utilities Code Title 5, Chapter 251. The current contract expires on April 13, 2016.</p>				

BID TABULATION

IFB GGU0157

Underground Utility Locating Services

(2 – line items)

<u>Vendor</u>	<u>Normal Locating Request (qty. 84,000)</u>	<u>Emergency Locating Request (qty. 3,000)</u>	<u>Total Annual Bid</u>
USIC Locating Services, LLC Indianapolis, IN	\$1,092,000	\$90,000	\$1,182,000
Olameter DPG Matthews, NC	\$1,564,920	\$210,000	\$1,774,920

A complete solicitation package, including bid tabulation, is on file with the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

PRICE ANALYSIS

- Adequate competition.
- 79 notices were sent, including eight MBEs and two WBEs. Two bids were received, with no response from the MBEs/WBEs. Multiple notices may be sent to the same vendor; e.g. one vendor may have multiple email addresses/fax numbers.
- This pricing offered represents a 2.4% increase from the last contract awarded in March 2011.





APPROVAL JUSTIFICATION

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



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	56099	Agenda Number	
Meeting Date:	April 7, 2016			
Department:	Purchasing			
Subject				
Authorize negotiation and execution of a contract with POWER SUPPLY, INC., for the purchase of generator circuit breakers for the switchgear at Mueller Energy Center, in an amount not to exceed \$110,530.				
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:	Sole Source			
Prior Council Action:				
For More Information:	Maria Andrade, Buyer II, 512-972-9424			
Boards and Commission Action:	March 21, 2016 - To be reviewed by the Electric Utility Commission.			
Related Items:				
MBE / WBE:	This contract is exempt from City Code Chapter 2-9C Minority and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.			
Additional Backup Information				
<p>The contract is for the purchase of seven 15kV circuit breakers for use at Austin Energy's Mueller Energy Center. Circuit breakers are required to provide the necessary switching and protection of substation equipment and transmission lines from damage caused by excessive electrical currents. The existing circuit breakers are being replaced with more reliable and updated breakers. Without these breakers, the power generated by the units cannot flow from the generator to the electrical distribution system.</p> <p>ABB Inc. is the original equipment manufacturer of the breakers being purchased and Power Supply Inc. is the only authorized distributor and representative for ABB Inc. breakers to the City. Only ABB Inc. breakers are a direct replacement of the existing units, i.e., they will fit mechanically and electrically in the current switchgear cubicle without requiring costly redesign or construction.</p>				

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Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	56272	Agenda Number	
Meeting Date:	April 21, 2016			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a contract with LEWIS CLARK TRUCKING LLC (MBE), to provide relocation services of distribution steel poles, in an amount not to exceed \$98,250.</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:	Sole bid received.			
Prior Council Action:				
For More Information:	Gabriel Guerrero, Buyer II, 512-322-6060			
Boards and Commission Action:	March 21, 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 2-9C 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				
<p>The contract will provide relocation services of Austin Energy's steel distribution poles currently stored at the southern half of Pilot Knob located at 10108 FM 812. The move supports Austin Resource Recovery's "Austin [re]Manufacturing Hub," a 105-acre eco-industrial park located at Pilot Knob. The redevelopment of the Pilot Knob area requires that Austin Energy move the poles to the nearby eco-industrial park. The contract will ensure that Austin Resource Recovery's project remain on schedule for this federally-funded project.</p>				

BID TABULATION

IFB GGU0158

Relocation of Distribution Steel Pole Located at Pilot Knob
(20 line items)

<u>Vendor</u>	<u>Total Bid</u>
Lewis Clark Trucking, LLC (MBE) Pflugerville, TX	\$98,250





A complete solicitation package, including bid tabulation, is on file with the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

PRICE ANALYSIS

- Sole bid received.
- 1,531 notices were sent, including 61 MBEs and 27 WBEs. One bid was received from an MBE. Multiple notices may be sent to the same vendor; e.g. one vendor may have multiple email addresses/fax numbers.
- This is the first purchase of its type: therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

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





<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> <div style="display: flex; justify-content: space-around;">     </div>				
Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	56273	Agenda Number	
Meeting Date:	April 21, 2016			
Department:	Purchasing			
Subject				
<p>Authorize an amendment to the contract with CLEAVER-BROOKS SALES AND SERVICE INC., PRO SERV INDUSTRIAL CONTRACTORS, LLC, & TEI CONSTRUCTION SERVICES INC., to repair and upgrade the heat recovery steam generator at Sand Hill Energy Center in an amount not to exceed \$3,000,000 each and combined, for a revised total contract amount not to exceed \$11,000,000 each and combined.</p>				
Amount and Source of Funding				
<p>Funding in the amount of \$3,000,000 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:	Contract Amendment			
Prior Council Action:	August 7, 2014 - Approved original contract, item #63.			
For More Information:	Cheryl Kaufman, Senior Buyer, 512-505-3545			
Boards and Commission Action:	March 21, 2016 - To be reviewed by the Electric Utility Commission.			
Related Items:				
MBE / WBE:	<p>The original contract was awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for the original contract.</p>			
Additional Backup Information				
<p>The contract was awarded in August 2014 as a competitive procurement for a six-year maintenance contract for Sand Hill Energy Center's combined cycle unit heat recovery steam generator (HRSG). The HRSG uses hot exhaust gas from the combined cycle combustion turbine to generate steam used to drive the combined cycle steam turbine. Utilization of the combustion turbine exhaust heat significantly improves the efficiency of the combined cycle unit which is Austin Energy's most efficient gas fired unit. This contract authorizes three qualified vendors to compete on a per project basis to provide services such as planned maintenance, emergent maintenance, parts, inspections, and equipment upgrades.</p> <p>Austin Energy has utilized approximately 77% of the original contract spending authority to execute emergent repairs required to ensure the reliability of the combined cycle unit during peak season and to implement material upgrades to</p>				

improve the long term reliability of the HRSG. This work included repairs to original HRSG high pressure economizer tubes to ensure unit reliability through peak season and the replacement of one of seven major HRSG heat exchanger modules with upgraded material to ensure the long term reliability of the unit.

This request is to ensure that during the remaining four years of the contract that there is adequate spending authority for anticipated maintenance and upgrades as well as emergent repairs. The additional authority represents a 37.5% increase to the contract amount. In accordance with Senate Bill 7, as adopted by Council in Resolution No. 040610-02, Austin Energy contracts may be increased in excess of the 25% limit required by Chapter 252 of the Texas Local Government Code.

CONTRACT SUMMARY

Action	Description	<u>Authorization</u>
Council Authorization August 7, 2014, item 63	Original Authorization	\$8,000,000
Proposed Amendment	Increase of Authorization	\$3,000,000
Revised Total Contract Authorization		\$11,000,000

<div style="text-align: center;"> A U S T I N C I T Y C O U N C I L AGENDA </div> <div style="display: flex; justify-content: space-around;">     </div>				
Recommendation for Council Action (Purchasing)				
Austin City Council	Item ID:	56271	Agenda Number	
Meeting Date:	April 21, 2016			
Department:	Purchasing			
Subject				
<p>Authorize award and execution of a contract with TEXAS ELECTRIC COOPERATIVES for the purchase of three-phase, pad-mounted distribution transformers in an amount not to exceed \$136,578.</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:	Lowest bid meeting specifications.			
Prior Council Action:				
For More Information:	Gabriel Guerrero, Buyer II, 512-322-6060			
Boards and Commission Action:	March 21, 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				
<p>The contract will provide Austin Energy with three, three-phase, pad-mounted, power distribution transformers to be used for underground distribution electrical facilities. These transformers are used to reduce the primary voltage from 12,470 volts to a lower secondary voltage of 208/240 volts for commercial customer use. This type of transformer is weather and tamper resistant, and ideally suited for use at apartment buildings, schools, hospitals or industrial sites.</p>				

BID TABULATION

IFB GGU0150REBID

3-Phase, Pad-mounted Distribution Transformers
(1 line item – qty. 3)

<u>Vendor</u>	<u>Unit Price</u>	<u>Extended Price</u>	<u>Evaluated Cost (Each)*</u>	<u>Total Evaluated Cost*</u>
Texas Electric Cooperatives Austin, TX	\$45,526	\$136,578	\$107,863	\$323,589
PanAmerica Supply, Inc. Katy, TX	\$45,800	\$137,400	\$112,715	\$338,145
Priester-Mell & Nicholson Austin, TX	\$55,700	\$167,100	\$124,731	\$374,193
KBS Electrical Distributors Austin, TX	**	**	**	**
Techline Inc. Austin, TX	**	**	**	**

* Transformer bids are evaluated based on the “total owning cost.” The total owning cost is the purchase price plus the value of losses (electricity lost during voltage reduction) over the expected 30-year lifespan of the transformer. A mathematical formula was published in the solicitation to calculate the total owning cost offered in each bid.

** Non-responsive. Offered products did not meet specifications as required per the solicitation.

A complete solicitation package, including bid tabulation, is on file with the City’s Purchasing Office and is available on the City’s Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

PRICE ANALYSIS

- Adequate competition.
- 205 notices were sent, including four MBEs and there are no known WBEs available for this commodity. Five bids were received with no response from the MBEs. Multiple notices may be sent to the same vendor; e.g. one vendor may have multiple email addresses/fax numbers.
- This is the first purchase of its type: therefore, there is no pricing history available.

APPROVAL JUSTIFICATION

- Lowest bid meeting specification.
- The Purchasing Office concurs with Austin Energy’s recommended award.
- Advertised on the internet.