



Recommendation for Action

File #: 19-3483, **Agenda Item #:** 44.

12/5/2019

Posting Language

Authorize an amendment to an existing contract with Nolan Power Group LLC, to provide electric substation battery chargers, for an increase in the amount of \$100,000, for a revised contract amount not to exceed \$357,900.

(Note: The 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 required for the contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding is available in the Fiscal Year 2019-2020 Capital Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>> or Julia Finn, at 512-322-6060 or Julia.Finn@austintexas.gov <<mailto:Julia.Finn@austintexas.gov>>.

Council Committee, Boards and Commission Action:

November 18, 2019 - Recommended by the Electric Utility Commission on a 7-0 vote, with Vice Chair Hopkins and Commissioners Funkhouser and Wray absent, and Commissioner Hadden off the dais.

Additional Backup Information:

The proposed amendment will provide Austin Energy with the ability to continue to provide battery chargers at its substations and meet new requirements from the North American Electric Reliability Corporation (NERC).

The battery chargers are used to charge substation battery banks. A new NERC requirement introduces an opportunity to use online, remote monitoring of advanced technology battery chargers which will minimize maintenance intervals. NERC previously required inspection and maintenance intervals for battery chargers with less advanced technology. This proposed amendment will allow Austin Energy to replace aging battery chargers with the more advanced chargers capable of remote monitoring to reduce maintenance.

Battery banks and battery chargers are critical equipment in all substations. Up to 60 individual battery cells

are strung together and used as a power source for the protection system's switching and control devices. Batteries and battery chargers are necessary for substation maintenance to meet NERC requirements and emergency preparedness.

Austin Energy set up the contract to complete capital improvement projects and maintain operational requirements at substations. The forecasted spend was under \$40,000 a year. The new requirements added unanticipated projects and expenditures to Austin Energy's battery charger replacement plan.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Current Contract Authorization</u>	<u>Requested Additional Authorization</u>	<u>Revised Total Authorization</u>
Initial Term	2 yrs.	\$ 84,480		\$ 84,480
Extension Option 1	1 yr.	\$ 61,280		\$ 61,280
Extension Option 2	1 yr.	\$ 37,380	\$100,000	\$137,380
Optional Extension 3	1 yr.	\$ 37,380		\$ 37,380
Optional Extension 4	1 yr.	\$ 37,380		\$ 37,380
TOTALS	6 yrs.	\$257,900	\$100,000	\$357,900

Note: Contract Authorization amounts are based on the City's estimated annual usage