



## MEMORANDUM

**TO:** Mayor and Council Members  
Toby Hammett Futrell, City Manager

**FROM:** Juan Garza, General Manager  
Austin Energy

**DATE:** March 14, 2007

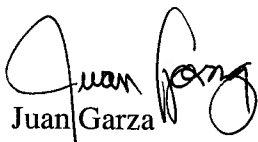
**SUBJECT:** Critical Business Need for Purchase related to Service Interruption at Patton Lane Substation and Freescale – Southwest Electric

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On July 19, 2006, Austin Energy (AE) experienced a fire at the Patton Lane Substation. In addition to the required repairs, AE has committed to making significant system improvements at both the Patton Lane and Oak Hill Substations, to improve reliability of electric service delivery to the Oak Hill Freescale location. As you recall, I sent you a memo on September 27, 2006, with a list of purchases and expenses required to support these repairs and system improvements. The utility is ready to move forward with one of the listed purchases.

In order to meet the aggressive project schedule, the Patton Lane 789 transformer must be inspected and possibly remanufactured as expeditiously as possible. Because the normal advertising and bidding process will prevent AE from meeting our commitments to Freescale in a timely manner, I am designating the issuance of a purchase order in the amount of \$540,000 to Southwest Electric Company as a critical business need. We will be bringing the RCA for this purchase to Council in the next several weeks.

Please let me know if you have any questions. I can be reached at 322-6002.

  
Juan Garza  
General Manager  
Austin Energy