



August 31, 2007

FAX (512) 263-4943

David Paratore
Security Management Systems, LLC
80 Red River, Suite 111
Austin, TX 78701

**RE: INSTALLATION, EXPANSION & MAINTENANCE OF THE INTEGRATED
SECURITY MANAGEMENT SYSTEM (ISMS) FOR AUSTIN ENERGY**

Dear Mr. Paratore:

The Austin City Council approved the execution of a contract with your company for the above-referenced bid item as follows:

Date of Award: August 31, 2007
Contract No.: NS070000025
Dollar Value: Not-to-exceed \$1,775,740 initial contract term

Contract Term: September 24, 2007 thru September 23, 2008 with four (4) twelve (12) month extension options
Extension Option 1 - Not-to-exceed \$1,816,800
Extension Option 2 - Not-to-exceed \$1,860,120
Extension Option 3 - Not-to-exceed \$1,905,492
Extension Option 4 - Not-to-exceed \$1,951,200

Agenda Item No.: 41
Agenda Date: August 30, 2007

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the Contract Manager, Arthur Aguirre at 512-322-6675.

Sincerely,

Karen Williams, Buyer II
Purchasing Office
Finance and Administrative
Services Department