



MEMORANDUM

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

FROM: Juan Garza, General Manager
Austin Energy

DATE: November 9, 2007

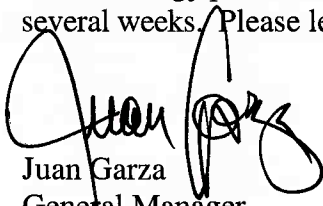
SUBJECT: Critical Business Need for Additional Cooling Capacity for the TLC Data Center

As detailed below, and in accordance with City Council-approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy (AE), the purchase of additional cooling capacity for the Town Lake Center Data Center.

Analysis by AE ITT has determined that the TLC Data Center requires an additional 20 tons of cooling capacity to meet upcoming regulatory software upgrades. These upgrades include the Nodal project, the additional ERCOT-mandated dual QSE system and the new Generation Management System. All these upgrades will require the installation of additional servers in the Data Center. The Nodal System must be operational by February 1, 2008. Austin Energy must initiate purchase and installation of the required cooling capacity as soon as possible. Delivery of this type of cooling unit is approximately five weeks. By following an expedited schedule allowed by Critical Business Need process, the additional cooling could be installed and operational in 9 weeks, meeting the February 1, 2008 need date. With a conventional schedule, installation of the cooling unit would take a minimum of 16 weeks.

The addition of 20 tons of cooling will meet current needs and provide additional capacity for future installations in the Data Center. The total expected cost for all aspects of this effort is approximately \$100,000.

Austin Energy plans to bring this item forward for ratification by the City 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