



MEMORANDUM

TO: Mayor and Council Members
Marc Ott, City Manager

FROM: Roger Duncan
General Manager

DATE: March 17, 2008

SUBJECT: Critical Business Need for ERCOT compliant utility cost accounting software and services

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, implementation, training and maintenance of Maximo and Powerplant software licenses and technical services for AE.

The Nodal Market mandated 'go live day' for all utilities in the ERCOT region is December 1, 2008. To enable AE to be compliant with ERCOT requirements, AE needs to purchase, configure and implement Maximo and Powerplant software in order to develop and create the necessary integration to Advantage, the City of Austin's accounting system. An initial phase in the compliancy effort was to perform an assessment of the needed requirements, identify available options and recommend a solution to achieve ERCOT compliancy within the mandated deadline. A second phase for purchasing and implementing the recommended solution is now needed to collect adequate data to provide AE's baseline costs for as many months as possible to ERCOT before the market opens. Ideally, AE needs the implemented software and solution system to go live and start collecting data at the Sand Hill and Decker power plants as soon as possible. After this phase is concluded, the Maximo enterprise software licenses purchased will be used to facilitate the planned implementation and deployment across all of AE.

The purchase of this software and related services will provide and help ensure compliance with AE's ERCOT mandated deadline. The total expected cost for all aspects of this effort is approximately \$7,500,000.

AE plans to bring this item forward for ratification by the City Council in the next several weeks. Please let me know if you have questions. I can be reached at 322-6157.

Roger Duncan
General Manager