A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, March 5, 2009

Purchasing Office **Item No. 16**
RECOMMENDATION FOR COUNCIL ACTION

Subject: Authorize award, negotiation, and execution of a contract with GEMINI SOLAR DEVELOPMENT COMPANY, LLC, San Francisco, CA, to purchase up to 30 megawatts of solar-generated power over a 25-year term at an estimated annual amount of $10,000,000, for an estimated total contract amount of $250,000,000.

Amount and Source of Funding: Funding will be provided through the Electric Fuel Charge revenue or future Green Choice revenue.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Mark Walsh, Acting Purchasing Manager, 974-1891.

Purchasing Language: Best evaluated proposal of 15 proposals received.

MBE/WBE: Gemini has agreed to provisions of the Third Party MBE/WBE Subcontracting agreements. SMBR will work with Gemini on expenditures related to this project.

Boards and Commission Action: Recommended by the Electric Utility Commission.

The Austin City Council established a strategic energy policy for Austin Energy (AE) through the adoption of Resolutions 030828-38 and 20070215-023 which call for the development and use of clean energy by AE and set a goal of 30% of its energy from renewable energy sources by December 31, 2020. The recommended project offers AE the opportunity to continue progress toward its renewable goal.

This contract will provide AE with 30 megawatts (MW) of capacity from a solar photovoltaic generating plant to be built on approximately 350 acres of City-owned land near the town of Webberville. This purchase offers competitively priced renewable energy and environmental attributes that will help AE meet its goal of receiving 30% of its energy from renewable resources by 2020, including 100 MW from solar.

The new solar plant, which is expected to come online in late 2010 will diversify AE's renewable portfolio with additional non-wind resources that will not be subject to transmission congestion issues. The contract will obligate AE to purchase the full plant output up to 30MW over a 25 year period, providing enough solar energy to power approximately 5,000 homes each year.

Austin Energy is authorizing the use of 350 acres of City-owned land at no expense to the contractor. AE is purchasing 30MW of solar generated energy from the vendor for a term of 25 years. This is a Purchased Power Agreement. The City is not investing any funds in the construction, operation or maintenance of the plant during the 25 year period.

MBE/WBE solicited: 6/7 MBE/WBE bid: 0/0

PRICE ANALYSIS
a. Adequate competition.

b. One hundred twenty-nine notices were issued, including six MBEs and seven WBEs. Fifteen proposals were submitted, with no response from the MBE/WBEs.
c. The is the first contract of its type; therefore, there is no pricing history available.

APPROVAL JUSTIFICATION
a. Best evaluated proposal.
b. The Purchasing Office concurs with Austin Energy's recommended award.
c. Advertised on the Internet.