

AGENDA



Thursday, May 14, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 24**

Subject: Authorize award and execution of Amendment No. 1 to a contract with HPI, LLC, Houston, TX to increase the contract for the upgrade of the gas turbine controls at Austin Energy's Decker Creek Power Station in an amount not to exceed \$179,500, for a revised total estimated contract amount not to exceed \$1,777,269.

Amount and Source of Funding: Funding in the amount of \$178,350 is available in the Fiscal Year 2008-2009 Capital Budget of Austin Energy and \$1,150 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy.

Fiscal Note: A fiscal note is attached.

For More Information: Shawn M. Harris, Buyer II/505-7351

Purchasing Language: Contract Amendment.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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

Prior Council Action: November 20, 2008 - Approved original contract.

This contract is to upgrade the controls and control wiring for the four Pratt & Whitney FT4C-1 Twin Pac gas turbine generators operating at the Decker Creek Power Station. The wiring and controls on the turbines are 40 years old and have degraded over time leaving portions of the controls obsolete and difficult to maintain. This upgrade is necessary to sustain the reliability and availability of these units, which help meet peak power needs and also serve as Austin Energy's only "Blackstart Units." A "Blackstart Unit" is a generating unit that can be started without an outside electrical supply.

ERCOT (Electric Reliability Council of Texas) contracts annually for Blackstart services to assure that, in the event of a major blackout due to a disturbance in the power grid, the grid can be reestablished. The Decker gas turbines are often part of the annual ERCOT Blackstart plan, and would be used to establish power to start other units in ERCOT and ultimately other Austin Energy facilities.

On November 20, 2008, Council approved the award of a contract with HPI, LLC in an estimated amount not to exceed \$1,597,769.

This amendment will allow for changes in the control system architecture to meet the cyber security requirements of the new North American Electric Reliability Corporation's (NERC) Critical Infrastructure Protection standards adopted with an effective date of April 1, 2009. The standards were not available at the time the original contract was approved.