

AGENDA



Thursday, October 1, 2009

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

Subject: Authorize award and execution of Amendment No. 2 to a contract with GENERAL ELECTRIC INTERNATIONAL, Atlanta, GA, to increase the contract amount for the maintenance of Sand Hill Energy Center's gas and steam turbines in an amount not to exceed \$6,500,000, for a revised total estimated contract amount not to exceed \$37,107,414.

Amount and Source of Funding: Funding is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy.

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

For More Information: Dolores Castillo, Sr. Buyer /322-6466

Purchasing Language: Contract Amendment.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C 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: March 23, 2000 - Approved original six year contract; June 14, 2001 - Approved Amendment No. 1.

On March 23, 2000, Council approved the award of a supply and service contract with General Electric International in an estimated amount not to exceed \$28,957,390.

This contract is for parts and maintenance services for the combined cycle gas turbine at Sand Hill Energy Center. The term of the contract is dependent upon the actual number of fired or operating hours per year and will terminate upon completion of the first major overhaul of the engine which is anticipated to occur in the latter part of 2010.

On June 14, 2001, Council approved Amendment No. 1 which added parts and maintenance service for the steam turbine which is part of the combined cycle unit to the contract and increased the contract amount by \$1,650,024.

This proposed Amendment No. 2 would provide funding for escalation that was specified in the original contract, as well as additional necessary services. This additional work includes parts and service for unplanned maintenance during forced outages and emergency work, technical oversight, and implemented upgrades. The combined cycle unit is Austin Energy's most efficient fossil fuel unit. Funding for the additional work clause is essential to make repairs and limit unplanned outage time and resulting higher production costs.