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

AGENDA

Thursday, December 16, 2010

Purchasing Office **Item No. 36**
RECOMMENDATION FOR COUNCIL ACTION

Subject: Approve the ratification of a contract with INTEGRATED POWER SERVICES LLC, La Porte, TX, for the repair of a draft fan motor at Decker Creek Power Station in an amount not to exceed $193,878.

Amount and Source of Funding: Funding is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy.

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

For More Information: Dolores Castillo, Senior Buyer /(512) 322-6466

Purchasing Language: Critical Business Need.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). This was an emergency service contract; therefore, it is exempted under Chapter 791 of the Texas Local Government Code and no goals were established for this solicitation.

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

During the routine inspection and maintenance of Decker Creek Power Station's Generating Unit 2, significant unanticipated damage was found in one of the two forced draft fan motors. The damage necessitated repair of the rotor and rewinding of the motor for reliable operation. This repair was anticipated to take three to four weeks.

In order to expedite procuring a repair on the draft fan motor, the procurement was made on the basis of a Critical Business Need. Decker Unit 2 is a 425 megawatt steam generating unit and is equipped with two forced draft fans supplying combustion air to the gas-fired boiler. The loss of one of these forced draft fans due to motor failure would limit the output of the unit to approximately 55% or 240 megawatts. Full capabilities of Decker Unit 2 are needed to meet ERCOT market dispatch requirements under the Nodal Market beginning December 1, 2010.

This draft fan motor was repaired and returned back to service the week of November 29, 2010.