

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

March 21, 1969
2:00 P.M.

Council Chamber, City Hall

The was called to order with Mayor Akin presiding.

Roll Call:

Present: Mayor Akin, Councilmen Janes, LaRue, Long, Nichols
Absent: None

MAYOR AKIN announced this was a Special Meeting of the City Council of the City of Austin called for the purpose of considering the extension to contract for natural gas fuel for electric generating facilities, and consider accepting request of John Deere Company to withdraw bid for one telescoping slopemower awarded by the Council on March 13, 1968, and awarding the contract to the second low bidder, ROTARY POWER, INC.

Councilman Long was absent at this particular time.

ROTARY SLOPEMOWER

The City Manager read a report from the Purchasing Agent, Mr. F. D. Glenn, citing that on March 13th, the Council awarded a telescoping slopemower to JOHN DEERE INDUSTRIAL EQUIPMENT COMPANY for a net total of \$6,027.00. Later Mr. J. R. Linnebur of John Deere Company called, it was their intention that the bid for the mower be considered with their separate bid on a tractor as a unit bid. They were not in a position to offer the mower as a separate piece of equipment. Mr. Linnebur on March 18, 1969, wrote a letter withdrawing their bid of \$6,150.00 for mower on Requisition No. 8104 opened on 25th of February.

The Purchasing Office and the Parks and Recreation Department agree to ask the Council to permit JOHN DEERE CO. to withdraw their bid and to award the mower to the second low bidder, ROTARY POWER, INC. for a net total of \$6,050.92.

Councilman LaRue moved that JOHN DEERE COMPANY be permitted to withdraw their bid for one telescoping slopemower and the contract be awarded to the second low bidder, ROTARY POWER, INC., for a net total of \$6,050.92. The motion, seconded by Councilman Nichols, carried by the following vote:

Ayes: Councilmen Janes, LaRue, Nichols, Mayor Akin
Noes: None
Absent at time of roll call: Councilman Long

CONSIDERATION OF EXTENDING CONTRACT FOR NATURAL
GAS FUEL FOR ELECTRIC GENERATING FACILITIES

The City Manager stated pursuant to Council discussion yesterday they had revised Page 10 omitting the word "permitting" in Section 3 and 4. He reported Mr. Dexter Kinney, Director of Electric Utilities; Mr. R. L. Hancock, Assistant Director of Electric Utilities; Mr. Norman Barker, Director of Finance; and his own staff further reviewed the document, checking it word for word in relation to the existing contract, and its effect on the present contract, and the review was satisfactory.

Councilman LaRue stated during the interim period yesterday, they had discussed with the City Manager, and the City Attorney the possibility of the paragraph 3 and 4 being included in the original contract and there was no paragraph comparable to that, but in effect this does refer to a portion of the old contract. He stated in his opinion, the key phrase on which the paragraph turned, was the word "permitted". As far as he personally was concerned he stated the deletion of the word "permitted" would satisfy his request for additional time for study. He would have preferred deleting the entire paragraph of 3 and 4, but the deletion of the word "permitted" accomplishes almost the same thing.

Councilman Janes agreed that the paragraph was redundant, because the city anticipated abiding by the law any way. He expressed disappointment in executing only a five year extension; and would have preferred its having been a 15 year extension.

Councilman Nichols likewise agreed.

Councilman Long observed that this was a good extension of the contract, and through the years, it would be proven that they would have saved the City of Austin thousands and thousands of dollars, and she was happy to see Coastal States come in and agree to this proposition which the City projected. She also agreed it was disappointing not to have a 15 year extension rather than five, but a five year extension is better than none, and the City is getting a good price on that extension. Councilman Janes pointed out this five year span was the critical period.

Councilman Nichols ascertained that the City was to receive the transmission line and lease it back to LoVaca or Coastal States for maintenance and upkeep. The City Manager suggested this be included in the motion.

Councilman LaRue moved the Council approve and authorize the City Manager to execute the contract extension subject to the following conditions:

- (1) Revision of Paragraph 3.4 (Distributed to the Council--in effect deletes the word "permitted")
- (2) The transfer of the title of the line with the lease back provision for operation and maintenance upon installation and completion of the line for furnishing the gas to Decker;
- (3) Their (LoVaca's) satisfactorily furnishing the letter, and the consumation of that letter with respect to contract interpretation as to measurement of the gas under the present contract.
- (4) Cooperation and participation by the City with respect to right of way as necessary.

The City Manager asked if LoVaca would make a statement as to whether the agreement with the four conditions was satisfactory. MR. DALE GALLOWAY stated the Council had the revision on Page 10, Paragraph 3.4 of the contract. This morning they had furnished the City Attorney with a letter covering the sale and lease-back of the pipe line. Mr. Galloway stated the four specifics in the motion were satisfactory to LoVaca.

Councilman Janes noted the City was agreeing to assume title and to lease back the line in a location at which it did not know. The City Manager stated it would be the principle service line to the Decker Plant.

Roll call showed the following:

Ayes: Councilmen Janes, LaRue, Long, Nichols, and Mayor Akin

Noes: None

Councilman LaRue made the following statement concerning this matter:

"I would like to state this will assure the City of Austin an assured gas supply through the year 1989 at a fixed and firm price with two five year options from that date on, and I think the management is to be commended for their part in putting the contract together."

Councilman Long made the following statement:

"We thank Coastal States for all of their work with the City and for the many trips they had made here to try to bring this into being, and I think we will both benefit from it. I believe the City has the best contract in the State, barring none, and even our extension will prove to be one of the best ones in the State in that year."

Councilman Nichols made the following statement:

"I appreciate the interest and certainly the mutual cooperation provided both by our administration and LoVaca, and I think we have a good contract and a good supplier."

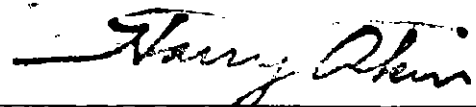
The City Manager, MR. TINSTMAN, thanked the LoVaca officials for their patience and persistence, and particularly expressed appreciation on behalf of the staff to every member of the City Council for the very dilligent and responsible manner in which the Council has considered this over many long months. The success has been evident. He and the staff were most grateful to the Council in its help.

MR. JACK WARE, Coastal States, expressed appreciation to the Council and the Staff for its long and hard work. He realized the responsibility the Council had to the citizens of Austin, and the citizens of Austin have something to be proud of in the manner in which their business had been conducted.

The Council adjourned at 2:25 P.M.

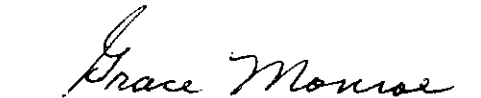
March 21, 1969

APPROVED



Mayor

ATTEST:


Asst. City Clerk