

## MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

October 10, 1962  
10:00 P.M.

Council Chamber, City Hall

The meeting was called to order with Mayor Palmer presiding.

Roll call:

Present: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Absent: None

Present also: W. T. Williams, Jr., City Manager; Doren R. Eskew, City Attorney

The Mayor announced this meeting was called for the purpose of awarding a contract for the natural gas fuel supply contract for the Electric Generating System for the City of Austin.

Councilman Armstrong offered the following resolution and moved its adoption:

(RESOLUTION)

WHEREAS, the City of Austin duly advertised for sealed bids for a natural gas fuel supply for its electrical generating system for a period of approximately 20 years; and

WHEREAS, sealed bids were received and opened on September 20, 1962; and

WHEREAS, the bid of Coastal States Gas Producing Company in the total sum of \$263,766,560.00 was the lowest and best bid received; and

WHEREAS, in subsequent negotiations, Coastal States Gas Producing Company has submitted its amended Bid Form C-1 in which it has offered to further reduce its low bid to the sum of \$245,849,760.00 provided the City agrees to modify the contract documents so as to relieve it from being required to provide daily delivery capacity more than 200% above the capacity needed to serve the average daily volume of gas delivered during the current and previous 11 months; and

WHEREAS, the City Council has considered the amended proposal of the lowest and best bidder and deems it to be in the best interest of the City of Austin to accept said proposal; Now, Therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the amended proposal of Coastal States Gas Producing Company is hereby accepted, and W. T. Williams, Jr., City Manager is hereby authorized and directed to execute a contract on behalf of the City of Austin.

The motion, seconded by Councilman Shanks, carried by the following vote:  
Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

Mayor Palmer stated everyone realized how much the Power Plants and Electrical Utility System meant to the City of Austin and to each individually, and that the Council and Administration had spent many, many hours, days and weeks in studying these contracts. It was a unanimous decision of the Council that this is in the best interest of the City.

Mr. Frank Erwin introduced Mr. Will Odom, Board of Directors, and member of the Executive Committee of Coastal States. He also introduced MR. JACK WARE, Senior Vice President of Coastal States who made a statement thanking the Council and people of Austin for the confidence they had in Coastal States and for entering into this contract. He said the Council had not only assured the City of a reliable supply of gas for the next 20 years, but it is also purchasing its gas at the lowest guaranteed price. He stated Coastal States was grateful to have the opportunity to join with Austin and L.C.R.A. in the future development of Austin and Central Texas. He stated the Council in granting this contract had created a competitive situation which is virtually certain to result in lower household gas prices to the City when Southern Union's and United's gas contract expires in 1967. Mr. Clint Small, Attorney for Coastal States was present. The Mayor thanked Mr. Ware and Mr. Erwin for their patience and stated this was an important decision and weighed heavily on every member of the Council in order to make the decision, and the Council felt this was the best contract for the City.

There being no further business, Councilman Perry moved that the Council adjourn. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The Council adjourned at 10:20 P.M. subject to the call of the Mayor.

APPROVED

*James E. Palmer*  
Mayor

ATTEST:

*Edna Hooley*  
City Clerk