



**Purchasing Supply Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 48  
AGENDA DATE: Thu 07/29/2004  
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**SUBJECT:** Authorize execution of a 12-month supply agreement with COMVERGE INC., Norcross, GA, for load management thermostats and ancillary equipment for the "Power Partner Program" in an amount not exceed \$1,818,794.20, with three 12-month extension options in amounts not to exceed \$1,818,794.20 for the first extension, and \$1,573,325 for each of the second and third extensions, for a total agreement amount not to exceed \$6,784,238.40.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$303,132.38 is available in the Fiscal Year 2003-2004 Amended Operating Budget of the Electric Utility Department. Funding for the remaining 10-months of the contract and the extension options is contingent upon available funding in future budgets.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Purchasing **DIRECTOR'S**  
**DEPARTMENT:** for Austin Energy; **AUTHORIZATION:** Vickie Schubert

**FOR MORE INFORMATION CONTACT:** Sandy Calles, Buyer/322-6487

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Sole Source.

**MBE / WBE:** This contract will be awarded in compliance with Chapter 2-9 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.

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Since the Program inception in 2000, the "Power Partner Program" has provided for installation of over 34,000 load management thermostats capable of reducing the Austin Energy (AE) summer peak load by as much as 30 MW. AE communicates with the load management thermostats by sending a one way signal to the thermostats which contain a communication module. The thermostat will cycle air conditioning off for ten minutes every half hour between the hours of 4:00 p.m. and 8:00 p.m. Water heaters will be cycled off 100% of the time between the hours of 3:00 p.m. and 7:00 p.m.

The load management thermostats are also known as SuperStats and are only manufactured by Comverge, Inc. The SuperStat offers two of the most requested features: programmable temperature control and direct load (dispatchable) control. The SuperStat controls the temperature of the consumer's house both precisely and efficiently and automatically adjusts the temperature settings based on the homeowner's schedule. Four program settings allow different settings for both heating and cooling. By accepting a load control or dispatchable signal, the SuperStat promotes maximum savings by interrupting the air conditioner or heat pump during peak demand and thereby reducing unnecessary equipment run time.

Comverge is the only manufacturer of load control modules with the VHF-153.5 MHz capabilities. Through this agreement, AE will be able to purchase approximately 11,907 thermostats for the first two



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years for both residential and commercial customers and 10,300 for each of the remaining years.

The requested dollar amounts include funding for AE's aggressive conservation plan as outlined in the ten-year strategic plan approved by City Council.

A companion agenda item requests Council ratification of Amendment No. 4 for purchase of additional programmable thermostats.