



**Purchasing Contract  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 29  
**AGENDA DATE:** Thu 12/02/2004  
**PAGE:** 1 of 1

**SUBJECT:** Authorize negotiation and execution of a contract with UTC POWER, LLC, South Windsor, CT, for the purchase of a Zero Emission Power System in an amount not to exceed \$103,000.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2004-2005 Approved Capital Budget of Austin Energy.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING** Purchasing  
**DEPARTMENT:** for Austin Energy;

**DIRECTOR'S**  
**AUTHORIZATION:** Vickie Schubert

**FOR MORE INFORMATION CONTACT:** Carole Martindale, Purch. Mgr, 322-6155

**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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On May 22, 2003, Austin Energy and UTC Power LLC (UTC) signed a "Demonstration, Evaluation License and Purchase Option Agreement" through which UTC provided equipment for a Zero Emission Power System at the City of Austin FM 812 landfill. Austin Energy joined with City of Austin Solid Waste Services (SWS) through an interdepartmental agreement for the installation of the equipment under SWS project "FM 812 Landfill Gas Collection System Project." Austin Energy has the right to purchase the equipment after completion of an initial nine months of testing. The equipment has proven to be beneficial, and Austin Energy desires to exercise the option to purchase the equipment. Purchase of new equipment would cost approximately \$250,000.

Austin Energy desires to purchase the equipment because the unit reliably produces renewable electricity from the landfill methane flare that produces heat that otherwise would be wasted to the atmosphere. The unit is one of the first distributed generation devices to use Organic Rankine Cycle technology and supports Austin Energy's goal to increase use of renewable sources for generating electricity.

This procurement is a Sole Source. There is no other equipment available that is already installed and operating at the site.

# CIP BUDGET

## Fiscal Note

**DATE OF COUNCIL CONSIDERATION:**  
**WHERE ON AGENDA:**  
**DEPARTMENT:**

12/2/2004  
Resolution  
Austin Energy

**SUBJECT:** Approve negotiation and execution of a contract with UTC POWER, LLC, South Windsor, CT, for the purchase of a Zero Emission Power System in an amount not to exceed \$103,000.

**FINANCIAL INFORMATION:**

Parent Project Name: **Power Production**  
Project Authorization: 2004-2005 Approved Capital Budget

Current Appropriation	\$ 339,724,850.00	
Unencumbered Balance		\$ 15,637,452.06
Amount of This Action		<u>(103,000.00)</u>
Remaining Balance		<u>\$ 15,534,452.06</u>

**Use of Remaining Balance:**

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

**Use of Any Remaining Funds After Completion of Project:**

No remaining funds anticipated at this time.

**Director, Planning & Budget**

Signature: \_\_\_\_\_

Date:

Polany

11/10/04