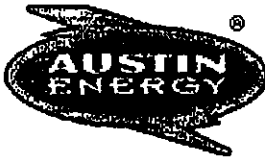


MBE / WBE: This contract was awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Published:
Adjusted version published:



MEMORANDUM

TO: Mayor and Council Members
Toby Hammett Futrell, City Manager

FROM: Juan Garza, General Manager
Austin Energy

DATE: November 8, 2004

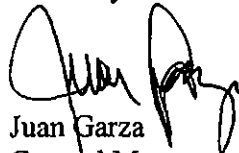
SUBJECT: Critical Business Need: Procurement of Services for Cleaning Natural Gas Pipelines at the Sand Hill Energy Center

On October 17, 2004, the staff at the Sand Hill Energy Center determined that a large quantity of oily liquids was present in the natural gas fuel pipeline network inside the plant. AE personnel further determined that the liquids had been introduced to the plant pipeline network via the TXU/Lonestar external supply pipeline. The quantity of liquids was beyond the normal capabilities of the internal filtration systems and subsequently created operational problems. The combined cycle unit was removed from service for cleaning and replacement of fuel nozzles and will remain out of service until the gas lines are cleaned. Because the combined cycle unit is the most fuel efficient natural gas unit in our system, it is critical to complete this cleaning as soon as possible and return the unit to service.

Pursuant to City Council approved AE purchasing procedures, I am designating the solicitation and procurement of services to clean and dry the gas piping network inside the plant boundary as a Critical Business Need.

Cleaning natural gas pipelines is specialized work. Austin Energy solicited bids from vendors with the required experience and equipment. The vendors made site visits the week of November 1 – 5. We have received three bids for this work and plan to award the contract to BJ Process and Pipeline Services for a contract price of \$82,744.

Because of the benefits to be obtained from having the Sand Hill combined cycle unit in service as part of our generation resource portfolio, I am requesting the procurement of the pipeline cleaning services as a Critical Business Need of Austin Energy. Please let me know if you have any questions or concerns.


Juan Garza
General Manager
Austin Energy