



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 3
AGENDA DATE: Thu 12/16/2004
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SUBJECT: Authorize execution of Amendment No. 4 to the contract with SWEETWATER WIND 2 LLC, Palm Beach Gardens, FL, (formerly RES North America LLC) for wind power over a 12-year term to increase the purchase of wind power from 93 Megawatts (MW) to 128 MW for a revised total contract amount not to exceed \$168,000,000.

AMOUNT & SOURCE OF FUNDING: Funding will be provided through fuel revenue pass through or future Green Choice Power charge revenue.

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

REQUESTING Austin Energy
DEPARTMENT:

**DIRECTOR'S
AUTHORIZATION:** Juan Garza

FOR MORE INFORMATION CONTACT: Michael McCluskey, Senior Vice President / 322-6295;
Carole Martindale, Purchasing Manager / 322-6155

PRIOR COUNCIL ACTION: 2/11/99- Approved Resolution 990211-36 establishing a goal to obtain 5% of City of Austin's energy from renewable resources; 9/25/03 - Approved 030925-02 establishing a goal to obtain 20% of City of Austin's energy from renewable resources; 9/25/03- Approved authorization for negotiation with RES for 53 MW of power; 5/27/04 - Approved Amendment No. 2 of the RES agreement to purchase an additional 40 MW; 7/29/04 - Approved Amendment No. 3 allowing a revised price if production tax credits were not approved.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

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.

This is a recommendation to add an additional 35 Megawatts (MW) to Austin Energy's (AE) Sweetwater wind power contract. AE's 93 MW Sweetwater Wind project is currently under construction and slated for completion by December 31, 2004. The additional 35 MW would be completed during the fourth quarter of 2005 as part of a larger expansion of the Sweetwater project. The additional Sweetwater capacity would allow AE to make continued progress toward its goal of 20% renewables by 2020 in a timely and cost-effective manner.

In early October 2004, a bill reauthorizing Production Tax Credits (PTCs) for projects completed in 2004 and 2005 was signed into law. As a result, a new rush has begun to bring long dormant projects online before the end of 2005. This relatively short time line has created a situation of limited turbine supplies versus demand.

This amendment offers AE a unique opportunity to continue progress toward its renewables goal by taking advantage of commitments Sweetwater possesses for turbines to be delivered in 2005. AE would



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benefit from the same contractual terms in its existing agreement with pricing terms equal to those originally offered for a 2005 project.

Pursuing this opportunity will allow AE to increase its renewable energy supply from approximately 5.3% in 2005 to 6.3% in 2006; deferring the need for additional renewables until 2007 and keeping it on track to meet its 2020 renewables goal. It also allows AE the opportunity to expand its renewable supply base at a favorable cost and gives AE additional time to refine plans for future renewable projects.

On July 2, 2004, an Assignment of the contract was processed to legally change the vendor name from RES North America LLC to Sweetwater Wind 2 LLC.

Original Contract	Council approved negotiation with RES for up to 53 MW of wind power for up to 20 years. The contract was executed for a 12-year period.	\$92,000,000
Amendment No. 1	Administrative revisions were made to the contract document.	\$0
Amendment No. 2	Increased the contract to purchase additional 40MW.	\$18,000,000
Amendment No. 3	Increased the unit price in order to assure delivery of wind power whether PTCs are approved or not.	\$90,000,000
Proposed Amendment No. 4	<ul style="list-style-type: none">• Reduction of contract due to passage of PTCs.• Higher projected production from original 93 MW.• Increase for the additional 35 MW.	<div>(\$90,000,000)</div> <div>\$11,000,000</div> <div><u>\$47,000,000</u></div> <div>\$168,000,000</div>



MEMORANDUM

TO: Mayor and Council

FROM: Sondra Creighton, P.E., Director
Public Works Department

DATE: December 8, 2004

SUBJECT: Ratification RCA for Austin Engineering Company, Inc., for the Street Reconstruction and Utility Improvements on 30th St. from Lamar to Speedway – 12/16/04 Council Agenda

This is to provide you with further information concerning ratification RCA for execution of a change order in the amount of \$263,875.12, with Austin Engineering Company, Inc., for the Street Reconstruction and Utility Improvements on 30th St. from Lamar to Speedway that is on the December 16, 2004 Council Agenda.

Previous change orders were primarily for changes caused by unforeseen conditions and utility conflicts in phase 1 of the construction, from Guadalupe to Speedway. Additional unforeseen conditions in phase 2, from Lamar to Guadalupe, have created the need for additional change order authority. These conditions became apparent immediately after excavation of the first portion of phase 2, and were not readily apparent during the design and utility coordination phases of the project. The conditions needing correction are curb and gutter, driveways, and sidewalks.

The plans called for replacement of only portions of the existing sidewalks where cracked, broken, or not in compliance with ADA/TAS for the proposed accessible route. It was not intended that all sidewalks would be replaced. When the damaged portions of the sidewalks were demolished it was discovered that the old sidewalks were only ½" thick concrete over compacted cement stabilized base. Attempts at tying into these old, very thin sections of concrete proved unsuccessful, therefore replacement of more sidewalks became necessary.

The plans called for replacement of only the broken or structurally compromised existing curb and gutter, not all of it. When the contractor excavated the pavement it was discovered that the existing curb was just a stand-up curb, with no gutter. During the design phase the engineer assumed that the curbs had gutters, but that they had been covered up over the years with asphalt overlays and seal-coat projects. We don't normally pot-hole gutters to see if they are there during design. After the excavation was done, the stand up curb fell over into the open excavation. It needed to be replaced with

new curb and gutter, thus requiring an increase in the quantity for curb and gutter, as well as base that will be placed under the new curb and gutter.

Most of the existing driveways in the first portion of phase 2 did not have gutters and stopped flush with the face of the stand-up curbs. These need to be replaced, just like the old stand-up curbs.

Some curb ramps were added to the first portion of phase 2 in order to better achieve compliance with TAS/ADA. Texas Department of Licensing and Regulation's interpretation of their Standard (TAS) has changed somewhat since this project was permitted. The relatively small cost of a few additional curb ramps will greatly enhance handicapped accessibility for this project.

In order to reduce the impact of construction on the neighborhood and traveling public, the contractor was directed to proceed with the changes, and that quantity adjustments would be made to his contract when additional authority was obtained. Stopping work after excavation of the first portion of phase 2 would have delayed the end date of construction and incurred additional costs to the City for contractor overhead and re-mobilization. Approximately \$30,000 of the work in the proposed change order has already been completed by the contractor.

Please contact me at 974-7175 if you have any questions concerning this matter or if you would like a more in-depth briefing.



Sondra Creighton, P.E., Director
Public Works Department

cc: Toby Hammett Futrell, City Manager
Joe Canales, Deputy City Manager
Chris Lippe, P.E., Austin Water Utility Department