



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

**AGENDA ITEM NO.: 27  
AGENDA DATE: Thu 03/23/2006  
PAGE: 1 of 1**

**SUBJECT:** Authorize execution of a contract with PROTON ENERGY SYSTEMS, Wallingford, CT, for a hydrogen gas generator unit and extended service warranty for the Decker Power Plant in the amount not to exceed \$109,995.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2005-2006 Approved Capital Budget of Austin Energy.

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

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

**FOR MORE INFORMATION CONTACT:** Martha L. Gaines, Buyer II (512) 322-6583

**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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This contract is for the purchase of a self-contained hydrogen gas generator (HG-240) unit for the Decker Power Plant. The equipment is provided with a 12-month manufacturer's warranty for an amount of \$79,995, and the City will purchase a 36-month extended service warranty in the amount of \$30,000. Hydrogen gas is used to provide cooling to the turbine generator coils to prevent them from overheating. Without this unit, operators have to change out up to eight hydrogen bottles per day, exposing them to potential high risks of serious bodily injury and also exposing adjacent equipment to possible damages. Inside the HG-240, a low-level electrical current "breaks-down" de-ionized water into hydrogen and oxygen. The hydrogen is piped directly to the electric turbine-generator.

There are three leading companies that manufacture self-contained hydrogen generators. Proton Energy is the only one offering: a) non-hazardous electrolyte solution, b) required purity levels, and c) the ability to do maintenance while the equipment is still on-line.

IFB No. MG06100004.

**CIP BUDGET  
Fiscal Note**

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

3/23/2006  
Resolution  
Austin Energy

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**FINANCIAL INFORMATION:**

Parent Project Name: **Power Production**  
Project Authorization: 2005-2006 Approved Capital Budget

Current Appropriation	\$ 346,172,850.00	
Unencumbered Balance		\$ 17,709,985.00
Amount of This Action		<u>(109,995.00)</u>
Remaining Balance		<u>\$ 17,599,990.00</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: J.E. Pokorny Date: 3/3/2006