

AGENDA



Thursday, January 14, 2010

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION****Item No. 4**

Subject: Authorize award and execution of Amendment No. 8 to a requirements service agreement with GREATER AUSTIN ECONOMIC DEVELOPMENT CORPORATION, Austin, TX for continued participation in the Opportunity Austin Campaign and adding five extension options in an estimated amount not to exceed \$350,000 per extension option, for a revised ten-year total estimated contract amount not to exceed \$3,530,000.

Amount and Source of Funding: Funding in the amount of \$262,500 is available in the Fiscal Year 2009-2010 Operating Budget of Austin Energy. Funding for the remaining three months of the current term and the remaining extension options is contingent on available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Jeff Vice, Director Local Government Relations, 322-6087 or Rodney Gonzales, Acting Director, EGRSO, 974-2313

Purchasing Language: Contract Amendment

Boards and Commission Action: The Electric Utility Commission recommended funding only one 12-month extension.

Prior Council Action: January 13, 2005 - Approved original contract and four 12-month extension options.

In January 2005, Council approved a five year contract with the Greater Austin Economic Development Corporation (GAEDC), doing business as the Austin Chamber of Commerce, to participate in the Opportunity Austin campaign to improve the economic future of the greater Austin area. The campaign began with an economic assessment that identified the following areas in need of immediate attention: development of new primary jobs; diversification of Austin's business base; elimination of impediments to start, grow, or relocate businesses in the area; efforts to ensure a quality workforce; and overall transportation improvements. During the initial contract period, the City of Austin's ranking in job growth grew from 25th to 2nd in the United States with 121,800 new jobs and regional payroll increased by \$5.6 billion. In addition, 144 companies relocated their headquarters or regional offices to Central Texas.

This proposed amendment will enable Austin Energy and the City to be an investor in the Opportunity Austin 2.0 campaign, to assist with strengthening and diversifying the economy by attracting and recruiting new businesses, retaining and expanding existing businesses, and encouraging and supporting local entrepreneurs. \$100,000 of the \$350,000 annual contract amount is specifically earmarked to support clean energy target marketing.

The GAEDC's goals for Opportunity Austin 2.0's five-year campaign are to create 117,000 new jobs and increase the regional payroll by \$10.8 billion. GAEDC will also continue to execute a strategy to market Austin and Central Texas and maintain a dynamic website providing regional information.

Contract Summary

ACTION	DESCRIPTION	AMOUNT
Original Contract	Council award for investment into Greater Austin Economic Development Corporation with four 12-month extension options of \$350,000 each.	\$1,750,000
Amendment No 1	Exercised first extension option Year 2 (\$350,000)	
Amendment No 2	Updated contract language including Corrections and adjustments to the scope of work	
Amendment No 3	Exercised a 60 day hold over/partial extension	
Amendment No 4	Exercised second extension option Year 3 (\$350,000)	
Amendment No 5	Exercised third extension option Year 4 (\$350,000)	
Amendment No 6	Administrative increase to cover 50% of GAEDC's travel costs for economic development purposes related to the Austin Asian Chamber of Commerce, Capital City Chamber of Commerce, and Greater Austin Hispanic Chamber of Commerce	\$30,000
Amendment No 7	Exercised fourth extension option Year 5 (\$350,000)	
Proposed Amendment No 8	Add an additional five 12-month extension options for years 6 through 10 \$1,750,000	
Revised Total Contract Amount		\$3,530,000